PARLIAMENTARY DEBATES

(HANSARD)

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HOUSE OF COMMONS

OFFICIAL REPORT

FIFTH SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2009–2010

COMPRISING PERIOD
22 March 2010—8 April 2010

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OFFICIAL REPORT

IN THE FIFTH SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 508**

EIGHTH VOLUME OF SESSION 2009-2010

House of Commons

Monday 22 March 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Counter-terrorism

1. **Mr. David Heathcoat-Amory** (Wells) (Con): What recent assessment he has made of the effectiveness of his Department's efforts to counter Islamic extremism. [322938]

12. **Tony Baldry** (Banbury) (Con): What recent assessment he has made of the effectiveness of the Government's counter-terrorism strategy. [322952]

The Secretary of State for the Home Department (Alan Johnson): Contest is a world-leading counter-terrorism strategy that endeavours to meet the serious threat this country faces from international terrorism. I have today published the first annual report setting out progress against the objectives in the strategy. Since 11 September 2001, 230 people have been convicted of a terrorism-related offence and more than a dozen terrorist plots have been disrupted. The Prevent strand of Contest is aimed at addressing the causes of terrorism by challenging the ideology of violent extremists, supporting vulnerable individuals and building community resilience.

Mr. Heathcoat-Amory: Does the Secretary of State accept that Islamism is a threat because of its refusal to accept the separation of religion and the state, its social intolerance, particularly as regards the status of women, and its attempted subversion of moderate Islam? If he does, will he undertake not to allow the introduction of sharia law into this country in any form?

Alan Johnson: First I should say that the threat comes from violent extremism. There are people with all kinds of views with which we may disagree, but it is when those views turn into violent extremism that counter-terrorism kicks in and those views become unacceptable. On sharia law, I should say that the law of this country is absolutely paramount. Where sharia law has been introduced in some small experiments in local communities it does not, in any way, subvert or detract from the law of this country.

Tony Baldry: Does the Home Secretary agree that we have to work with the Muslim community? In Banbury, the Thames Valley police force consciously seeks to recruit Muslim men and women as special constables, because when the Muslim community has people that it knows working with the police force, it is more likely to talk to them about things that are causing it concern. We therefore need to work with the Muslim community, as well as being suspicious of it on occasion.

Alan Johnson: I agree completely with the hon. Gentleman. Not only in Banbury but elsewhere, the police and the local communities are working to break down these barriers, and part of that involves working with the Muslim community—indeed, the Prevent strand of our counter-terrorism strategy has about 1,000 projects, where work is being undertaken with 40,000 people in various communities. This is something that politicians and chief constables cannot do from on high; it must be tackled in the community and, as the hon. Gentleman rightly says, in part by recruiting people from the Muslim community into the police and other authorities.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): Does the Home Secretary agree that if by "Islamism" one means people who support the religion of Islam, that is not, in itself, a threat? However, subversive and criminal activity is to be found among some members of the Muslim community. The danger of trying to tar the entire Muslim community with the same brush is that that undermines our efforts to engage with the community, and to fight terrorism and crime.

Alan Johnson: I agree entirely with my hon. Friend. The only way in which we will succeed in this area is by demonstrating that the vast majority of Muslims just do not buy into the rhetoric of the ideologues and those promoting violence and division. That is the measure of success. It is essential that we in no way give the impression that our counter-terrorism policy is anti-Muslim, because it is not; it is very much pro-Muslim and pro the vast majority of the Muslim community, who believe in peace, justice and freedom.

Mr. David Winnick (Walsall, North) (Lab): Is it not absolutely essential, as my right hon. Friend has pointed out, to make the greatest distinction between the overwhelming majority of Muslims, who, like ourselves, totally oppose and detest terrorism, and the very few religious fanatics who distort their religion and glory in death? There is absolutely no link between those two groups, and we should never try to pretend, as some do, that Muslims are any more in favour of terrorism than adherents of any other religion.

Alan Johnson: Again, I agree with my hon. Friend, who has made an important contribution to these issues while serving on the Select Committee on Home Affairs. The only point that I should make here—this reinforces the one that he has made—is that giving people in Muslim communities, particularly younger Muslims, the arguments and empowering them so that they can try to argue back against what are sometimes very forceful arguments coming from much older people in their community must be an important part of our counter-terrorism strategy. That is why Prevent is the crucial strand that it is.

Mr. Crispin Blunt (Reigate) (Con): In the light of the Home Secretary's efforts to separate Islamic issues from terrorism, I wonder whether he has noted the following written evidence to the Select Committee on Communities and Local Government's inquiry into the Prevent arm of the counter-terrorism strategy:

"Inconsistent and generalised language or loose terms weaken public confidence and hamper the debate around Prevent. In addition and more specifically, they also provide opportunities for Muslim Rejectionists at the grassroots."

Given that countering Islamic extremism is linked to, but is not the same as, a counter-terrorism strategy, does grouping these issues today not illustrate the point being made to the Select Committee?

Alan Johnson: The hon. Gentleman talks about grouping these issues, and I think it would be strange if we had a counter-terrorism strategy that did not seek to prevent people from getting involved in terrorism in the first place, just as it would be strange to have a policy on drugs that did not try to prevent youngsters from getting involved in drugs, or to have a policy on knives, guns and gangs that did not have a strand that aimed to prevent people from getting involved in the first place. We have to be very careful about the terminology—that is the hon. Gentleman's point—but we also have to be careful to realise that there are those who are opposed to Prevent because they are opposed to any voice of reason and to our trying to help vulnerable youngsters, in particular, to argue back against those who seek to persuade them down the route of violence. We must recognise that those people are against our strategy—not our Prevent strategy but against our whole Contest counter-terrorism strategy. We have to be aware of the devices they will use to try to suggest, for instance, that Prevent is about spying when it patently is not.

Dogs (Crime)

4. **Mr. Andrew Robathan** (Blaby) (Con): What recent estimate he has made of the incidence of the use of dogs in crime. [322941]

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): The data are not collected centrally but we are aware of the growing concerns about the use of dangerous dogs to harass and intimidate people. This has prompted the Government to introduce the new gang injunction power under the Policing and Crime Act 2009 and to launch a public consultation on managing and controlling dangerous dogs.

Mr. Robathan: Let me get this right: the Home Secretary announces, for a headline in the pre-election period, that he will force all dog owners to take out insurance on their chihuahuas, or whatever their dog might be, but then the Secretary of State for Environment, Food and Rural Affairs says that is absolutely ludicrous because it will penalise all responsible dog owners and it will have no effect on those who already have dogs that are used as weapons. Does the Minister agree with her colleague, the Secretary of State for Environment, Food and Rural Affairs, that this was a lunatic idea and take some responsibility on behalf of the Home Office for this ridiculous electioneering?

Meg Hillier: Let me make it clear that the proposal and consultation are a joint effort between the Department for Environment, Food and Rural Affairs and the Home Office. It is right that we consider extending dangerous dog laws to cover places such as private property and give more powers to police and councils, including for dog control orders where necessary. The issue of insurance was raised with the Government because of the horrific injuries caused and so it was included in the consultation, although it has now been ruled out. I have not spoken to my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs personally about this but we are still interested, certainly from a Home Office perspective, in views on third-party insurance, particularly if a dog control order is in force.

Mr. Brian Jenkins (Tamworth) (Lab): My hon. Friend will realise that dog owners such as myself get very upset when we hear the term "dangerous dogs". It is not the dog that is the problem but the ownership and control of the dog. When are we going to start tackling

this in the correct manner in this country by considering it a privilege to own a dog rather than thinking that there is an automatic right for irresponsible people to own or train a dog?

Meg Hillier: I look forward to responses from my hon. Friend and his constituents to the consultation. Responsible ownership is at the heart of what we need to consider. It is the deed not the breed that we are primarily considering but some breeds are bred to be violent. Unfortunately, that is one reason why we have to reconsider this issue. We must consider the full range of options.

Mr. Greg Hands (Hammersmith and Fulham) (Con): In my constituency of Hammersmith and Fulham, this has been an ongoing problem in many of our local parks, including the local park at the end of my road, Normand park. Just today, I have had an e-mail from a constituent of mine, Robert Hardman, who talks about an appalling incident in Normand park next to the playground where his children were playing last Thursday. There was a savage attack on a puppy by a free-range pit bull—we appreciate that it might not actually have been a pit bull—and the owner of the said pit bull hurled abuse and threats at witnesses, the children were distraught and the victim's owner is now faced with a £3,000 vet's bill. Is not one of the solutions to all this for the police to be able to deal with the dogs in situ rather than necessarily having to take them off to kennels?

Meg Hillier: There are a number of issues exactly like that that the consultation seeks to iron out. I can echo the hon. Gentleman's words from Hammersmith to Hackney: much the same problems are raised with me by my constituents on estates, by gangs and in parks. It is clearly an issue that we need to tackle. There are real problems and that is why I hope the House will back the consultation. I look forward to hearing and seeing the responses.

Kelvin Hopkins (Luton, North) (Lab): Some time ago, one of my constituents was savagely attacked by what was clearly a weapon dog. Finally, on appeal, she was granted criminal injuries compensation of £5,000. Only then did she learn that the dog had made two previous attacks, and we still do not know whether it has been destroyed. Whatever my hon. Friend does, will she make absolutely sure that such dogs are taken out of circulation permanently?

Meg Hillier: Obviously I do not know about that individual case, but I agree that when horrific incidents happen, proper action needs to be taken. If necessary, that sometimes includes destroying the animal.

Andrew Rosindell (Romford) (Con): It has taken the Government a very long time to address this extremely serious issue, only for them to get it badly wrong. Will the Home Secretary or the Minister tell us why a flagship policy of introducing compulsory dog insurance was announced two weeks ago, but then overruled and killed off by the Department for Environment, Food and Rural Affairs? Surely the Home Secretary should admit that he has been muzzled on this issue.

Meg Hillier: Clearly the hon. Gentleman does not know the Home Secretary as well as I do, because he is a very difficult man to overrule. Indeed, he is not someone who is overruled. We need to be clear that we all want a solution to this problem, which was looked at in a consultation—let me correct any misapprehension that it was a Government policy. It is important that we should still consider insurance, particularly when dog control orders are in force, as we have heard from my hon. Friend the Member for Luton, North (Kelvin Hopkins). We need to consider that, and I hope we can all agree that this vital issue needs to be tackled. It is interesting that the Opposition choose to concentrate more on the process than on the outcome, in which we all have a shared interest.

Offences

5. **Simon Hughes** (North Southwark and Bermondsey) (LD): How many criminal offences have been created in legislation sponsored by his Department since May 1997. [322942]

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): Since 1997, the Home Office has brought forward legislation as necessary, to address the needs and challenges of the day. When legislation has included criminal offences, these have been proposed only after careful consideration and with the support of Parliament.

Simon Hughes: That is a cop-out of an answer. The Minister knows that there have been 4,200 new offences over 13 years of Labour Government. Looking back, at the end of that time, does he think we would have done far better to pass far fewer laws and to take far longer to make sure that we got them right? Would not the best legacy that he could leave be a penal code so that people could find all the laws in the same place?

Mr. Hanson: I do not accept that there are too many laws. We have put in place a range of legislation that is designed to protect the public, cut crime and increase confidence. I can name three pieces of legislation that the hon. Gentleman has voted against—measures on DNA retention, the Anti-social Behaviour Act 2003, and measures on tackling disorderly drinking in the streets. I know that those things matter to people in Southwark and throughout the country, so I am sorry that he voted against them.

Rob Marris (Wolverhampton, South-West) (Lab): Bearing in mind the careful consideration that my right hon. Friend has just mentioned, will he tell the House how many of the new criminal offences that were created by the Labour Government never came into force before then being repealed by the Labour Government?

Mr. Hanson: I am grateful to my hon. Friend, as ever, for his helpful question. He will know that there are occasions when the situation changes, people look at the legislation and Ministers take decisions accordingly. He will also know that, as a result of legislation that we have introduced, crime has fallen by 36 per cent., violent crime is down, burglaries are down and confidence in policing is up to a record 50 per cent.—all things that never happened before we considered that legislation.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I suggest that when criminal offences are introduced, great care should be taken not to attach prison sentences to them unless absolutely necessary? We are creating an atmosphere in which prison becomes approved by Government, but we should not do that. We should be sentencing people to imprisonment only when absolutely necessary, and we need to be careful about the penalties that we attach to criminal offences.

Mr. Hanson: I am grateful to the right hon. and learned Gentleman for those comments. He will know that the Ministry of Justice, where I spent two years before coming to this post, is concerned to ensure that we encourage community-based sentences where possible, and to ensure that they will, on some occasions, have a better chance of preventing reoffending than does a short-term prison sentence. We need to consider those issues in the round. Happily, the separation of the judiciary and the legislature is part of the UK's constitution, so the judiciary will ultimately decide the appropriate sentences for offences.

"Cutting Crime"

6. **Alun Michael** (Cardiff, South and Penarth) (Lab/Co-op): What assessment he has made of the implications for his Department's policies of the recommendations in the first report from the Justice Committee, "Cutting crime: the case for justice reinvestment", HC 94-I; and if he will make a statement. [322943]

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): The Government are grateful to the Justice Committee for its contribution to the debate on how to cut crime, reduce reoffending and manage some of the most difficult individuals in our society. My right hon. Friend the Minister of State, Ministry of Justice published our response on Tuesday 16 March.

Alun Michael: I am delighted that the response is so positive. The strength of the Committee's report is that it looks across the whole criminal justice system instead of being trapped in one part of it. What victims want—other than not becoming victims in the first place—is not to become victims again. Given that, is it not essential that all parts of the criminal justice system, whatever Department they come under, are clear that they are required to focus on reducing offending and reoffending?

Mr. Hanson: It is absolutely vital that we tackle reoffending. That is key to preventing further offending because, sadly, a number of people still go through the prison and justice systems but then ultimately reoffend. Reoffending rates for both adults and youths have fallen by 20 per cent. since 2000, but we need to do more. I know that there is a consensus on that in the House, and it means we must look at employment opportunities, housing and reintegration, and at ensuring that people leave prison in a better place than when they went in.

Sir Alan Beith (Berwick-upon-Tweed) (LD): I welcome the Government's positive response, but does the Minister accept that the Home Office has an opportunity to develop strategies that will save people from ever becoming victims of crime in the first place—especially if he is able to get his hands on some of the money that might otherwise be committed to further prison expansion?

Mr. Hanson: One of the key things that I have tried to encourage, both as a Justice Minister and now as a Home Office Minister, is integrated offender management. That means that we look at managing offenders through the system, from prison through release and back into the community, where police and probation services work together with important local authority services to make sure that everyone has an opportunity not to reoffend in the future. I welcome the right hon. Gentleman's report. I think that it has some merit, and the Government have responded in what I hope is a positive way.

Administrative Burden (Police)

7. **Mr. David Amess** (Southend, West) (Con): What steps his Department has taken to reduce the administrative burden on police forces in the last 12 months. [322944]

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): We are committed to reducing police bureaucracy, including the time spent on unnecessary administrative tasks. This is why I have taken steps to reduce the amount of data that we collect from police forces, scrapped the lengthy stop-and-account form and invested in mobile phone technology to allow officers to work in a much more efficient and smarter way.

Mr. Amess: The Minister will know that, whenever the police are criticised for how they do their job, they invariably say they are hampered by the number of forms that they have to fill in. The Home Secretary said that he would deal with the matter in a radical way. How exactly has he addressed form filling and bureaucracy in a radical fashion?

Mr. Hanson: I take it that the hon. Gentleman has not looked at clause 1 of the Crime and Security Bill currently going through the House of Commons. Has he? I suspect that he has not. If he had, he would have seen that it contains radical proposals, approved by this House, to reduce the stop-and-search form—a measure that by itself will ensure that around 700,000 hours of police time are saved.

In addition, we have accepted 13 recommendations from Jan Berry, the independent adviser on police bureaucracy. We will implement them over the next six to nine months, so I hope that the hon. Gentleman will keep up to speed on these matters.

Keith Vaz (Leicester, East) (Lab): When the deputy commissioner of the Metropolitan police, Tim Godwin, gave evidence to the Select Committee last Tuesday, he said that only 30 per cent. of his officers had hand-held devices. The Minister will know that we recommended in our report last year that every front-line officer should have a personal digital assistant, as that would help to cut bureaucracy significantly and ensure that police officers are more visible outside police stations. What are the Government going to do to ensure that every officer has such a device?

Mr. Hanson: I am grateful to my right hon. Friend, who will know, I hope, that we have invested £80 million in securing support for mobile data services. They will save an average of 30 minutes per shift for officers who will not have to go back to the station to complete paperwork that the House does not wish them to do. We want to extend that. I was in Manchester this morning, visiting the Stockport police. They are due to receive their hand-held devices in the next week or so, and that positive approach is being rolled out across the country to ensure that we reduce bureaucracy and improve efficiency.

Chris Huhne (Eastleigh) (LD): Will the Minister tell us what actions, in addition to those that he has set out, have been taken to introduce voice recognition technology? In his answer, he mentioned the Government's approach to hand-held computers for police on the streets, but what steps are being taken with regard to hiring civilian staff to help to complete forms over the telephone? What progress has been made in pilot schemes to cut the proportion of officers' time spent on paperwork?

Mr. Hanson: There are a number of measures. In the Bill currently before Parliament, we have reduced stop-and-search forms, which will save time, and we have invested £80 million in hand-held devices. I am looking at how we can develop still further the use of modern technology to reduce paperwork and, as I mentioned, through Jan Berry's work in her second year, we will look at implementing the recommendations that we have already accepted to reduce paperwork. There is more that we can do, we have an appetite to do it, and I am confident that that will help support police officers to be more efficient and to reduce the unnecessary paperwork that is being undertaken.

Chris Huhne: We can all agree on the need to cut red tape, even if we disagree on the speed at which the Government have moved. Despite the latest initiatives, the figures show that England and Wales are under-policed by international standards. We had 264 police officers per 100,000 population, compared with a European average of 357. Does the Minister agree that that is the main reason why our offences per head of population are so much higher than in other countries, and that a real increase in police numbers, such as that proposed by my party, is what is needed to cut crime?

Mr. Hanson: There are 24,000 more police officers than when the Government were elected in 1997—147,000 police officers now. There are 17,000 police community support officers, whereas there were zero when the Government were first elected. Crime is down by 36 per cent., burglary is down, robbery is down and violent crime is down. That is a record worth defending. We can do more, we should do more, and we are committed to support the funding. The hon. Gentleman can always outbid us because he knows he will never be in a position to have to implement any of those decisions.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): What assessment has my right hon. Friend made of the role of the on-the-spot fines in reducing bureaucracy and in effective policing?

Mr. Hanson: My right hon. Friends the Home Secretary and the Justice Secretary are undertaking a review. We hope shortly to be able to publish further details on that.

Chris Grayling (Epsom and Ewell) (Con): In a speech earlier this month, the Prime Minister said that the Government's

"commitment to protecting the record numbers of police officers . . . is clear."

Can the Minister guarantee to the House that if the Government are re-elected in May, over the course of the next Parliament there will be no reduction in the total number of police officers currently serving in England and Wales?

Mr. Hanson: The hon. Gentleman will know that for 2010-11 we have given a 2.5 per cent. minimum increase, and that my right hon. Friends the Prime Minister and the Home Secretary have said that there is no reason whatsoever why police forces should reduce the number of warranted officers or police community support officers because the resources will be available. That commitment contrasts with the position of the hon. Gentleman.

Chris Grayling: I notice, interestingly, that the Minister did not answer my question. The reason is straightforward. Last week the Home Office published details of progress on its plans to modernise the police work force. Its document specifically refers to it being difficult for forces to use work force modernisation

"as one of their levers to meet the cost pressures ahead if they are not able to reduce officer numbers."

Why is the Prime Minister promising to protect record numbers of police officers, if the Home Office is quietly working on plans to cut officer numbers?

Mr. Hanson: Let us be clear about this. The Home Office is not planning to cut police officer numbers. The Home Office will support sufficient resources to ensure that the number of police officers and policy community support officers that we currently have can be kept in place, should police chiefs wish to do so operationally. The challenge is for the hon. Gentleman to match that commitment on resources when we go in to the election. Last year the hon. Member for Bury St. Edmunds (Mr. Ruffley) would not commit to the funding for next year's police funding. That is the challenge, and the electorate will see it.

Chris Grayling: I will be delighted to answer questions from the right hon. Gentleman if we swap sides in the House after the election in May.

The document to which I am referring clearly states "Home Office" on the front of it. Last time I looked, he and his colleagues were Ministers for the Home Office. The document concludes that

"there will need to be constructive engagement"

with politicians and staff associations

"regarding the impact on officer numbers."

The Government are quietly planning cuts in police officer numbers. Why can they not tell the truth for a change?

Mr. Hanson: The hon. Gentleman will know that there is a commitment from the Government to maintain the level of numbers if police chiefs wish to have those numbers. We will maintain the resources to do that. We have a record of 24,000 more officers and 16,500 to 17,000 police community support officers. I do not believe that that record would have been maintained if an alternative Government had been in place. I commend that to the House in due course.

Drugs (Young People)

9. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): What recent assessment he has made of the effectiveness of his Department's steps to tackle drug-taking by young people. [322947]

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): We are committed to preventing and reducing drug use by young people. Drug use among young people has continued to fall over the last decade—

Mr. Speaker: Order. I apologise for interrupting the Under-Secretary, but I think that she is seeking to group this question with Question 11.

Meg Hillier: Forgive me, Mr. Speaker. I am indeed seeking to group those questions.

11. **Sir Nicholas Winterton** (Macclesfield) (Con): What recent estimate he has made of levels of drug misuse among young people. [322951]

Meg Hillier: Fifteen per cent. of young people aged 11 to 15 used drugs in 2008, compared with 20 per cent. in 2001.

Mr. Evennett: I thank the Minister for her reply. Mephedrone, the substance that contributed to the deaths of two young men last week, is a legal high that can allegedly be bought for as little as £4. Should the Government not take more seriously the threat that legal highs pose? What steps is the Minister taking to get across to young people the consequences of taking such substances?

Meg Hillier: The hon. Gentleman makes very important points about a very worrying issue. The Advisory Council on the Misuse of Drugs is reviewing mephedrone and other legal highs as a priority, after a schedule of work that the Home Secretary set last summer. The report on mephedrone is due on 29 March, and if we need to lay an order before Parliament in order to get a measure through, we will do so.

Sir Nicholas Winterton: The Minister will know that legal highs are killing young people. She will know also that many headmasters and headmistresses throughout the country believe that consideration should be given to banning these drugs. When will the Advisory Council on the Misuse of Drugs report on that matter and, I hope, say that those drugs will be banned, so that young people are not tempted to take them to get a temporary high—and do not kill themselves in the process?

Meg Hillier: I refer the hon. Gentleman to my previous answer: 29 March. However, we seek to continue to educate young people and their parents about the matter, mainly through the Frank website, which has reported on mephedrone issues in particular since September and has regular updated guidance.

Dr. Brian Iddon (Bolton, South-East) (Lab): Does my hon. Friend believe that the Government invest enough money in early intervention programmes, which result in less criminalisation of so many of our young people later in their lives?

Meg Hillier: We always keep an eye on that issue, but we already invest more than £55 million each year in tackling young people's substance misuse, and that includes funding treatment, area-based grant work for under-18s' misuse, Positive Futures and the Frank website.

James Brokenshire (Hornchurch) (Con): At the last Home Office questions in February, when the use among young people of legal highs such as mephedrone was discussed, the Home Secretary said that the consideration of the issue was now an absolute priority for the Advisory Council on the Misuse of Drugs and the Government. Yet it is reported today that the Home Office was advised five years ago of the problem of those synthetic drugs being bought online. Why did the Government fail to act sooner?

Meg Hillier: The Government have acted, and I shall explain a little of the background to the report to which I believe the hon. Gentleman refers. It was a report on the internet discussing the availability of psychoactive medications only, and our drug laws apply a criminal sanction whatever the route of availability. That report was looking at, and horizon-scanning on, drug futures up to 2025. It set out possibilities rather than realities and made no recommendations to the Government. However, as a result of a number of issues, the Government commissioned more work, and that led last year to the Home Secretary asking the Advisory Council on the Misuse of Drugs to look at this, which it is doing to its normal time scales.

Human Trafficking (Lap-dancing Clubs)

13. **Mr. Anthony Steen** (Totnes) (Con): What recent representations he has received on allegations of exploitation of victims of trafficking in lap-dancing clubs. [322953]

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): I have not received any specific representations on the exploitation of victims of trafficking in lap-dancing clubs. Human trafficking is a serious offence and the police will of course investigate allegations of trafficking wherever they occur.

Mr. Steen: I wonder whether the Minister has any plans to ensure that local authorities, which from 1 April have powers under the Policing and Crime Act 2009, will be able to do anything in the 350 relevant lap-dancing clubs that have been identified, bearing in mind the fact that local authorities have no experience of identifying human trafficking victims. Is she thinking of involving the police, or just relying on local authority officials?

Meg Hillier: The police go into lap-dancing clubs, as necessary, and as the House would expect them to do, in order to catch traffickers. It is important that they work closely with local authorities, such as my own in Hackney, which is getting a real grip on the issue now that local authorities have much more say about the licensing of such premises. It is crucial that in something as important as trafficking the right expertise is deployed, but I do not believe that there are any problems in that direction.

Andrew Mackinlay (Thurrock) (Lab): On the human trafficking of youngsters, will the Minister have a word in her Department about the cases where young teenage women who have been transported from other parts of the globe are rescued or identified by the local authority and brought into care, but when they reach the ages of 19, 20 and 21 cannot get any papers regularised in the United Kingdom and are falling between two stools? Will that be addressed with some urgency and dispatch?

Meg Hillier: We do, on occasion, grant people leave to stay in those situations. Clearly, every case is individual, and I will happily talk to my hon. Friend if he has any particular cases that he wishes to raise.

Yarl's Wood

14. **Alistair Burt** (North-East Bedfordshire) (Con): If he will request Her Majesty's chief inspector of prisons to undertake an immediate inquiry into the recent protests at Yarl's Wood immigration removal centre. [322954]

The Minister for Borders and Immigration (Mr. Phil Woolas): The UK Border Agency has commissioned a management review of the incident which will report shortly. The investigators have not raised any concerns thus far, so it is not expected that the matter will require further investigation. However, if overriding concerns are identified, we will of course review that decision.

Alistair Burt: I appreciate the Minister's answer. I also appreciate the involvement at a personal level of the Under-Secretary of State for the Home Department, the hon. Member for Hackney, South and Shoreditch (Meg Hillier), which is very helpful. Will the Minister reconsider the involvement of Dame Anne Owers? He will be aware that there is increasing concern about the condition of some of those who have been refusing food, that there were reports that some were taken to hospital last week, and that there have been allegations of suicide attempts. There is a continuing difference between the views of those health issues taken by Serco and the UK Border Agency and by those outside who look after detainees, and that will not be ended unless there is an independent review by Anne Owers rather than a management review.

Mr. Woolas: I thank the hon. Gentleman. This is an issue in his constituency. He wrote to my hon. Friend the Under-Secretary on 18 March, and a reply is being drafted for him. I take the point that he is making. Thus far, we have found no substance whatsoever in the allegations; indeed, the opposite is the case. If you will indulge me, Mr. Speaker, let me point out that the resident who claimed that she was not a criminal has in fact served time for drug supplying and has attacked two of our officers. CCTV footage is available, and the independent monitoring board, which has written to me and to my hon. Friend the Under-Secretary, was witness to the alleged incidents, but I have an open mind on the hon. Gentleman's point, because it may be needed to give status—let me put it that way—to these concerns.

Photography Restrictions (Public Places)

16. **Norman Baker** (Lewes) (LD): Whether he has issued guidance to police forces on restrictions on members of the public taking photographs in public places. [322956]

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): The National Policing Improvement Agency and I have issued guidance and circulars to the police that make it clear that counter-terrorism powers should not be used to stop innocent people taking photographs. I have also written to all chief constables who have section 44 authorisations to reiterate the point.

Norman Baker: I thank the Minister for that reply, but I have to tell him that the system is not working. Only last week, a journalist from Meridian Television, Phil Hornby, was threatened with arrest and confiscation and deletion of his tape merely for filming an exterior shot of Worthing station. Other individuals have been stopped for taking sunset photographs of St. Paul's and photographs of the Christmas lights in Brighton. Clearly, the guidance that the Minister has issued does not seem to be getting through. What further steps will he take to ensure that we do not slide towards east Germany in this country?

Mr. Hanson: I think that the guidance is helpful. However, last week I met my hon. Friend the Member for Great Grimsby (Mr. Mitchell) and a delegation of a range of individuals involved in photography issues. We agreed with Craig Mackey, the chief constable of Cumbria, who deals with these matters on behalf of chief police officers, that we would consider police training issues. I make this offer to the hon. Gentleman: if there are individual cases where there are concerns, we will look at them to see whether the guidance has been followed. If he wishes to send me further details, I will certainly look into them with Craig Mackey.

Student Visas (Language Schools)

17. **John Howell** (Henley) (Con): What assessment he has made of the effects of tier 4 student visa changes on language schools following the review of November 2009 and the further measures announced in February 2010. [322957]

The Minister for Borders and Immigration (Mr. Phil Woolas): The changes came into force on 3 March, and we continually monitor tier 4 to ensure its effectiveness. Our policy is designed to protect the integrity of our immigration system and the reputation of the UK's education providers.

John Howell: The English language industry is worth £1.5 billion a year to the UK economy, which is money we cannot afford to lose. Will the Minister visit with me the many genuine English language schools in my constituency to see the effects that the changes are having on those businesses, many of which are small and family-run?

Mr. Woolas: I thank the hon. Gentleman for his interest. I know he shares my desire to protect the robustness of the immigration system and at the same time enhance the reputation of genuine providers. I do not believe that the changes that we have made to achieve the former are damaging the latter. We continuously review the system—that is part of the strength of tier 4 and the points-based system overall—and although it is probably too early to tell, I have yet to see evidence of a detrimental effect. We have to protect the genuine student, who has sometimes been exploited by unscrupulous colleges.

Mr. John Grogan (Selby) (Lab): Would my hon. Friend be a little more precise about the level of English that prospective students on English language courses must attain? Language schools throughout Europe classify their courses as pre-intermediate, intermediate, advanced intermediate and advanced. Can English language schools still teach advanced intermediate courses?

Mr. Woolas: Yes. Some urban myths have been perpetuated in this campaign, so let me be clear that English language courses of six months and below, which are subject to a different visa regime, will be protected. Members of Parliament representing Scotland, which has different terminology, will be pleased to hear that foundation courses are maintained. The problem was with level 5 and below, where there was abuse of the system. As a result of the points-based system, we have significantly cut down the abuse of immigration law and protected the genuine college and, importantly, the genuine student.

Mr. Nigel Evans (Ribble Valley) (Con): The Minister is right to hit the phoney colleges, but we need a rigorous regime that does not hit established colleges and schools as well. As he is wandering around the country over the next five weeks, will he pop up to Ribble Valley with me and come to Stonyhurst college to speak to the headmaster? It is clearly not a phoney establishment, and the headmaster believes that the current visa regime is hitting established businesses.

Mr. Woolas: I will not be wandering around anywhere; I will be purposeful and focused in my travels—wherever the Secretary of State sends me. The hon. Gentleman makes a serious point about genuine colleges, and I have been very careful not to say that the private sector is bad and the public sector is necessarily good. There is good and bad on both sides of the divide. We have had support from the sector, because its reputation will benefit. I have established a unit in the points-based system tier 4 to deal with such cases, and it is best to do so quickly. Of course, if the hon. Gentleman wants to invite me up to his beautiful constituency, I would be more than happy to go again.

Special Constables

19. **Bob Russell** (Colchester) (LD): If he will bring forward proposals to increase the number of special constables recruited from businesses. [322959]

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): In August 2008, a three-year funding programme was announced for the National Policing Improvement Agency to increase the number of special constables in England and Wales through the establishment of nine regional co-ordinator posts. As part of that we have an employer-supported policing programme, which was launched in October 2009, which will ensure further development.

Bob Russell: May I urge the Minister to continue the programme for the foreseeable future? I often think that the role of the special constabulary is underplayed. It plays a vital role in the policing of our communities, and the business community getting involved and releasing staff for training provides a vital pool of additional special constables. I encourage the Government to extend that programme.

Mr. Hanson: I am grateful to the hon. Gentleman for his support. We are aiming to get about 20,000 special constables in place in the near future and we are raising our game to ensure that we recruit more. We need the support of the business community to do so. I visited specials in Flint, in my constituency, only three or four weeks ago and saw the wide range of activities and specialist work that they undertake on a voluntary basis in support of the full-time service.

Mr. Russell Brown (Dumfries and Galloway) (Lab): Has the Minister engaged with the devolved Administration in Edinburgh at any point about the successes or otherwise that they have had in recruiting specials?

Mr. Hanson: To be honest, I have not spoken directly to the Minister in Edinburgh, but my hon. Friend makes a good suggestion. We need to co-ordinate, particularly in constituencies such as his, where there are cross-border issues, and the Cumbrian force could equally support those in the south of Scotland.

Front-line Policing

20. **John Hemming** (Birmingham, Yardley) (LD): What assessment his Department has made of the relationship between the number of police officers in police forces and their effectiveness in carrying out front-line policing. [322960]

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): The Government's investment in the police is at record levels. There are record numbers of police officers and police community support officers on the streets. Crime is down by 36 per cent. and confidence in police is increasing. Fifty per cent. of the public agree that antisocial behaviour and crimes that matter to them are being dealt with effectively. I think that that demonstrates the relationship between the issues that the hon. Gentleman mentioned.

John Hemming: There are wide discrepancies in efficiency or effectiveness between one force and another. For example, the detection rate for violent crime in the Met is just 37 per cent., compared with more than half in other urban forces. What is the Home Secretary doing specifically to improve lagging forces so that they meet the standards of the best?

Mr. Hanson: I hope that the hon. Gentleman knows that we have encouraged inspections of police forces and police authorities to ensure that we examine discrepancies and value-for-money issues when they arise. There has been a recent police report card from Denis O'Connor, Her Majesty's inspector of constabulary, and there has been the same—and will be again—for police authorities. We want to encourage openness about performance so that we can improve it and understand where forces are failing.

Sentencing (Publicity)

22. **Mr. Philip Hollobone** (Kettering) (Con): If he will provide support to Northamptonshire police's project to publicise sentencing outcomes from Crown courts and magistrates courts. [322962]

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): The Government recognise the importance of providing communities with information about those brought to justice. Through the policing pledge, forces have committed to publicising local outcomes regularly. Her Majesty's Courts Service continues to support that work, including developing a website, which will enable magistrates court outcomes to be accessible to the public online.

Mr. Hollobone: If we are to improve the public's confidence in our criminal justice system, do we not need much less sympathising with and understanding of why criminals commit crime, and much more naming and shaming?

Mr. Hanson: The hon. Gentleman knows that, while not naming and shaming as such, we support visibility of outcomes in the criminal justice system. That is why the Ministry of Justice introduced orange jackets for community offenders 18 months ago, why we are trying to get individuals involved in picking projects for community work, and why we are trying to ensure that the community knows what happens to people—the outcomes of criminality. Those matters are important, and I hope that the hon. Gentleman supports them.

Topical Questions

T1. [322963] **Bob Spink** (Castle Point) (Ind): If he will make a statement on his departmental responsibilities.

The Secretary of State for the Home Department (Alan Johnson): In October, I asked every community safety partnership in England and Wales to commit publicly to minimum standards for dealing with antisocial behaviour. I am pleased to report that 99.7 per cent. of local authority areas have confirmed that such standards are either in place or will be in place by the end of March, making clear to the public the response that they are entitled to expect when they report antisocial behaviour.

Bob Spink: Does the Home Secretary agree that it is important for local councils to co-operate with the police to fight yobs and antisocial behaviour, particularly in providing fencing and gating, lighting and CCTV in areas where antisocial behaviour is prevalent, such as Richmond car park in Benfleet or King George V's playing fields on Canvey Island?

Alan Johnson: I agree with the hon. Gentleman. Although the police have a responsibility for antisocial behaviour, they share it with other agencies. Indeed, in all the areas where antisocial behaviour has been tackled effectively, the police work in partnership with local authorities, social services and often with local communities that have decided to fight back against those who are plaguing their lives. I therefore agree that such co-operation is an important part of tackling antisocial behaviour—we went through the local crime and disorder reduction partnerships to get that sort of response.

Mrs. Betty Williams (Conwy) (Lab): Is my right hon. Friend aware that Mr. Ryan Hilton, an events manager with the pub crawl firm, Carnage UK, was convicted in court in Llandudno last week of assaulting my constituent, Mr. Mark Aelwyn Roberts, causing him actual bodily harm? He will be sentenced at Crown court. Will my right hon. Friend please note that North Wales police had objected to that event in Bangor? Does he agree that that vicious assault sends a message to all licensing authorities that Carnage UK is a disreputable organisation, which causes havoc in our university towns?

Alan Johnson: I was not aware of the individual circumstances that my hon. Friend just outlined. I agree that those disreputable organisations need to be tackled. Indeed, in most places throughout the country, there is a realistic and meaningful partnership between local police and licensees to ensure that licensees do not have their reputations undermined by organisations such as the one that she mentioned.

T2. [322964] **Mr. Edward Timpson** (Crewe and Nantwich) (Con): Pursuant to my recent written question on the number of ID card applications made by residents of Crewe and Nantwich in Cheshire, the Under-Secretary of State for the Home Department, the hon. Member for Hackney, South and Shoreditch (Meg Hillier), who I can see is bursting to answer this question, replied:

"The Identity and Passport Service is not able to provide information relating to particular constituency or county for identity card applications."—[*Official Report*, 8 March 2010; Vol. 507, c. 123W.]

Why cannot a scheme that is designed to assist in identifying individuals provide even basic information such as the uptake in my constituency?

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): I forgive the hon. Gentleman for not appreciating that an Act of Parliament passed by this House in 2005—before he was elected—states that it is illegal to interrogate the database to gather such information.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): While crime in the west midlands has dropped—in some cases quite spectacularly, particularly burglary—there is still a problem with business crime. On Friday, I visited a business improvement district that had reported a substantial drop in crime as a result of the measures it had taken. What steps is the Minister taking to assess the impact of BIDs and what measures might he contemplate to roll out that prototype in other areas?

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): I am grateful to my hon. Friend, who identifies an issue that we need to examine in detail. The Government are firmly committed to working with business and trade associations to find effective solutions. Part of that includes the national retail crime steering group, on which the Home Office and the British Retail Consortium are working together to look at how we deal with crime, particular for those in business communities in town centres. I will certainly look at any particular suggestions that my hon. Friend has, but that is an area on which we need to continue to focus.

T3. [322965] **John Hemming** (Birmingham, Yardley) (LD): Research from the university of Groningen demonstrates that the presence of graffiti encourages other crime. An appropriate penalty is to make someone clear up the graffiti that they have created. Why do the Government still oppose fixed penalty notices for community service for graffiti?

Alan Johnson: As my right hon. Friend the Minister for Policing, Crime and Counter-Terrorism said earlier, we are looking at the whole question of fixed notice penalties with the Ministry of Justice, and a report will come soon. I agree with the hon. Gentleman about the importance of deterring graffiti. Indeed, up and down the country, community payback is ensuring that those who have engaged in such activity are very visibly and publicly—wearing orange jackets—clearing up the mess that they have made.

Dr. Stephen Ladyman (South Thanet) (Lab): I heard what the Minister for Borders and Immigration said earlier about the new visa arrangements for English language schools, but may I just point out that last Thursday I met a young man from Taiwan who was studying English in this country preparatory to going to Sheffield Hallam university and who will need four or possibly even five visas to achieve that? Indeed, under the new arrangements he may even have to go back Taiwan to make one of those applications. Will my hon. Friend at least consider all the material that I have sent to him and to the Secretary of State and reconsider the position?

The Minister for Borders and Immigration (Mr. Phil Woolas): I am grateful to my hon. Friend for the work that he is doing—the language schools sector and overseas students are very important parts of his constituency and its economy. The answer to his question is that we very much want to protect that. On the other hand, I am sure that the House agrees that we need to prevent visa abuse. What we have tried to do is provide that seamless route for the genuine student at the genuine college.

Mr. Stewart Jackson (Peterborough) (Con): I apologise, Mr. Speaker, for not being present earlier. With regard to the specific issue of the use of dogs in crime, will the Minister reassure us that any future bright ideas that the Home Office has will focus on individual owner responsibility and deed not breed, so that responsible dog owners are not punished for the sins of the minority?

Meg Hillier: I am tempted to say that I refer the hon. Gentleman to my previous answers, which he can read in *Hansard*. However, as I said earlier and now repeat, we want to look mostly at the deed not the breed, but we recognise that some breeds are inherently violent and we need to take that into account as well. However, responsible ownership is the main line.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): Since the beginning of the recession, the number of bogus charity clothes collectors has risen very sharply across the country, taking away much needed revenue from bona fide charity shops, such as Cancer Research UK shops in Barnsley and Doncaster. Unfortunately, many chief constables throughout the country are giving that type of crime a very low level of priority. Will the Secretary of State write to all chief constables in England to ensure that they treat such crimes with a great deal more seriousness in future?

Alan Johnson: I will talk to chief constables about that. I go on the basis that if my hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis) says that there is a problem, there is a problem. I am only sorry that he will not be here to raise these important points at Home Office questions after the next general election, and I wish him well.

T4. [322966] **Mr. John Baron** (Billericay) (Con): My constituents, Mr. and Ms Adedoyin, have received a phone call from someone claiming to be a Home Office caseworker wanting cash in return for their documents, which we had previously been told had been lost by the UK Border Agency. The response from the Home Office to my inquiries to date has been very disappointing. Will Ministers look into this issue as a matter of urgency and meet me to discuss the situation?

Mr. Woolas: Of course we will. The UK Border Agency is, from time to time, subject to mischievousness, but the response must be professional. Of course I will look into this and then meet the hon. Gentleman if that proves necessary after my investigation.

Rob Marris (Wolverhampton, South-West) (Lab): A few years ago, the UK Border Agency shunted a load of old asylum and refugee cases into a pile called legacy cases, which are due to be dealt with by next year. Is the Minister aware that there is a new pile building up of cases that have been overlooked? We will have the same problem all over again with a second pile of legacy cases.

Mr. Woolas: I do not agree with that analysis of the situation. The UK Border Agency will, as my hon. Friend says, deal with the legacy cases by the summer of next year, but as we have explained to the Select Committee we are also in the process of archiving cases that go back—I do not wish to make a partisan point—to 1981.

The time to conclusion on asylum is now under six months for 60 per cent. of cases. In 1997—to make a partisan point—the average time to a decision, not a conclusion, was 22 months. The Government and the agency should get some credit for dealing with the legacy problem.

T5. [322967] **Simon Hughes** (North Southwark and Bermondsey) (LD): If we are to have a real increase in the visibility of police on the streets of Britain and in the clear-up rate for offences, and a real reduction in police response times and the time that they spend behind closed doors, is not the suggestion this morning by Sir Hugh Orde, the president of the Association of Chief Police Officers, that we should have a full review of policing one that should have the immediate agreement of the Government?

Alan Johnson: Sir Hugh Orde was calling for a royal commission. I do not agree with that suggestion, although I am keen to talk to Sir Hugh Orde about this. He is a man of great experience and I respect his views considerably. However, it is not the case that because the last royal commission was in 1962 there has to be another one at intermittent periods. We used to have royal commissions that went on for a long time during which everything was preserved in aspic because nobody knew what would happen next. We should consistently review our methods of policing to ensure that they keep pace with advances in technology and changes around the world, for instance in counter-terrorism, and we are doing that, Ronnie Flanagan's report, the Green Paper and the White Paper, and many other changes over the last few years have revolutionised the way in which the police do their work. We need to continue to change to meet the challenges of our times.

Mr. Speaker: Let us make a real effort to speed up now, as I wish to get some more questions in.

Dr. Brian Iddon (Bolton, South-East) (Lab): Several times in the past few weeks, including today, I have heard the claim that mephedrone is killing young people. The cases that I have looked at suggest that the young people concerned were taking more than one drug, including alcohol. Should we not be getting across to young people the fact that if they choose to take a cocktail of drugs, they are putting their lives at risk? Mixing cocaine and alcohol, for example, produces the very toxic cocaethylene.

Alan Johnson: My hon. Friend, with his usual scientific analysis, is making the case for why we have to wait for the Advisory Council on the Misuse of Drugs to report on wide-ranging and close analysis of the problem before saying whether mephedrone is a dangerous drug. We might all have views on that, but they should be driven by the scientific evidence. Once that report is made to me—I hope that that will happen as soon as possible after 29 March, when the council's next meeting is scheduled—then we can make an informed decision.

T6.[322968] **Mr. Greg Hands** (Hammersmith and Fulham) (Con): To return to the issue of dangerous dogs, the Minister will know that the London Mayor, his deputy Kit Malthouse and various local authorities, such as Hammersmith and Fulham, are working extremely hard on the problem. As a follow-up to my earlier question about the incident in Normand park last Thursday, the resident concerned was clear in praising his local councillor, Councillor Sarah Gore, along with Greg Smith and his team. Will the Minister agree to meet Councillor Greg Smith and Kit Malthouse to see how local authorities can do something serious about the problem, rather than using the Government's failed insurance scheme?

Meg Hillier: We are always keen to work with anyone, and I will certainly pass on the request for an invitation to the Under-Secretary of State, my hon. Friend the Member for Tynemouth (Mr. Campbell), who deals with the issue on a day-to-day basis.

Andrew Mackinlay (Thurrock) (Lab): Why did it take over two years to set up the Joint Committee on the National Security Strategy, and, bearing in mind that it is a mass meeting of 22 members who were appointed in February, what opportunity does it have to report back during this Parliament? What is its current programme and what are the Minister's expectations?

Mr. Speaker: Order. There were at least three questions there, but one answer will suffice.

Alan Johnson: My answer is that I am rushing off after this Question Time to appear before that very body; it is the first time that it has called Ministers to appear before it. My hon. Friend raises an important point about the role of the Committee. The only thing that I am absolutely convinced about is the need for such a Committee. However, as it is new, and as it deals with such wide-ranging issues, to a great degree it has a major say in how it shapes the way its work will pan out in future.

T7. [322969] **Mr. David Burrowes** (Enfield, Southgate) (Con): Does not the recent concern about legal highs demonstrate the contrast between the speed at which new dangerous drugs can come on to the market and kill people, and the slow process of the Advisory Council on the Misuse of Drugs and the Government in taking real action to tackle the issue? Is it not the case that serious questions are now being asked about whether the ACMD and the classification system are fit for purpose?

Alan Johnson: The hon. Gentleman is being unfair to the ACMD. For a start, it has led the world on legal highs such as Spice and GBL, and it was there before anyone else. Secondly, the ACMD could have been a lot quicker in bringing its report forward if—

Chris Huhne (Eastleigh) (LD): If Professor Nutt had not been sacked.

Alan Johnson: One of the newspapers said that Professor Nutt's sacking had delayed the report by six months, but as I sacked him only five months ago, that seems a bit difficult. To return to the important point, however, the report could have been done more quickly had the ACMD looked just at mephedrone. However, it decided—this had the support of the House when we discussed the matter—to look at that generic group of drugs, so that when it makes a decision, and if that decision is

carried into law, we do not allow the manufacturers of such drugs to make small chemical changes and continue to make them available. The hon. Member for Enfield, Southgate (Mr. Burrowes) is doing a disservice to the ACMD, whose vision has enabled us to deal with that whole family of drugs, rather than just one.

Several hon. Members *rose—*

Mr. Speaker: Order. I am sorry not to be able to accommodate the remaining colleagues, but time is against us, although, as I am kindly exhorted from a sedentary position, I will not worry.

Lobbying and Paid Advocacy

3.33 pm

The Leader of the House of Commons (Ms Harriet Harman): With permission, Mr. Speaker, I would like to make a statement about paid advocacy and lobbying. These issues are, rightly, of great concern to this House and to the public. The highest standards are expected of Ministers, former Ministers and Members of this House. The public are entitled to be completely confident that, when Ministers make a decision, it is made in the public interest and that there is no impropriety whatever.

Allegations have been made in respect of ministerial decisions in the Department for Business, Innovation and Skills in respect of food labelling, ministerial decisions in the Department for Transport in respect of National Express and the east coast main line, and a decision in the Department of Health in respect of that Department's advisory group for a programme board for people with mental health problems and learning difficulties in the criminal justice system.

I can tell the House that Ministers in the Department for Business, Innovation and Skills and in the Department for Transport are clear that those decisions were made properly in the public interest. Civil servants in the Department of Health who took the decisions on the advisory group are satisfied that they made the correct decision in the public interest and were not responding to any inappropriate or undue influence. In each of the cases raised, the Departments concerned have looked into the allegations and confirmed that they are satisfied that the decisions have been made without the impropriety alleged.

The Prime Minister today sought the Cabinet Secretary's assurance that the Departments had looked into those claims. The permanent secretaries made inquiries, as they would into any such serious allegations, and they have assured the Cabinet Secretary that they were satisfied that there had been no improper influence on Government policy or ministerial decisions. They are setting this out in public statements today.

I want to reassure hon. Members and the public that Ministers act in the public interest. They make decisions in the public interest. That is a fundamental part of the duties of their office. Ministers are bound by the ministerial code, which is based on an acceptance that ministerial office brings with it serious responsibility and a duty to the nation. The code was strengthened and updated in July 2007. Allegations of a breach of the ministerial code are investigated by Sir Philip Mawer, the independent adviser on ministerial standards. Ministers have to act within the ministerial code, and, if they do not, they cannot continue as Ministers. That requires them to act in the public interest and not in any private interest. From 1 October last year, the Government now publish, for the first time, on a quarterly basis, details of Ministers' meetings with outside interest groups. It is therefore fully transparent which organisations a Minister has met and what the meeting was about.

The position on former Ministers is that they must not take any proposed employment of any kind unless it has been approved by the Advisory Committee on Business Appointments. That has been the position since 2007, when we strengthened the process by making it a requirement for two years after leaving ministerial office instead of one year, and making it a requirement to get approval rather than just to notify, as was previously the case. Former Ministers are also governed by the rules that apply to all Members of this House or, if they are in the House of Lords, the rules that apply to all peers.

Members of this House are required to abide by the code of conduct for Members of Parliament, which was reissued, updated and strengthened in June last year. Fundamental to the code of conduct is the requirement for hon. Members to abide by the seven principles of public life. The rules that embody those principles are stringent and extensive, and breach of the rules is dealt with, following a complaint or a self-referral, by an investigation by the Parliamentary Commissioner for Standards and, if necessary, by action by the Standards and Privileges Committee. Any allegation that a Member of this House has broken the code of conduct will be thoroughly investigated by the Parliamentary Commissioner for Standards so that the House can, if necessary, impose the appropriate sanction. We have high standards, clear rules and a clear remedy for breach, and that is how it should be.

Members of Parliament are paid a salary. If an hon. Member takes on any other work for which they are paid, they are, since June 2009, required to register every payment made to them, including the amount and what they were paid for. That ensures that, if any hon. Member is getting paid over and above their MP's salary, the public know who is paying them and for what. Failure to register a payment is a breach of the code of conduct.

The rules relating to civil servants state that they are required to abide by the civil service code, which has now being put on a statutory footing in the Constitutional Reform and Governance Bill. Breach of the code is dealt with by the Cabinet Secretary and the civil service commissioners.

I turn now to those who seek to be MPs. Following the recommendation of the Committee on Standards in Public Life, the Government have issued guidance to all candidates standing at the next general election about the voluntary disclosure of their financial interests, including their tax status.

Following the report of the Public Administration Committee in January last year, the Government have been working with the lobbying industry to establish a register of lobbyists. Building on that work, and in the light of the latest allegations, we think that that should be put on a statutory footing. There should be a legal register of lobbyists, which would require people to register as lobbyists and to register the identity of the clients on whose behalf they were acting. This is necessary to give the public confidence that that is the law and that it will be complied with. I commend the statement to the House.

Sir George Young (North-West Hampshire) (Con): I thank the right hon. and learned Lady for an advance copy of her statement. However, it leaves a number of unresolved issues. The fact that the Leader of the House has had to come to the House to explain the situation is a clear indication of the seriousness of these allegations, which threaten to become, as my right hon. Friend the Member for Witney (Mr. Cameron) warned, the next big scandal in Westminster. Does she agree that the

[Sir George Young]

sight of former Cabinet Ministers offering to lobby Government on behalf of corporate interests for private gain, in one case as a kind of "cab for hire" for up to £5,000 per day, will have deeply appalled the public and further undermined trust in politics at a moment when we all hoped that we were turning the corner.

The public will now expect the Government to treat these revelations with the seriousness they deserve, but rather than clarifying the facts, Downing street appears to be doing the opposite. Does the Leader of the House not recognise that the Prime Minister's decision to rule out a proper inquiry before the television programme has even gone out was simply the wrong response, particularly as the Secretary of State for Transport has just confirmed in another place that he spoke to the right hon. Member for North Tyneside (Mr. Byers) about the east coast franchise? Does she not agree with me that the allegation that public policy was in some way altered by ex-Ministers lobbying for corporate clients to the possible disadvantage of the taxpayer and the consumer needs to be fully and impartially investigated and that the Cabinet Secretary should carry out an appropriate review, as requested by my right hon. Friend the Member for Horsham (Mr. Maude)?

The House will have heard what the Leader of the House said about the internal departmental review, but does she not agree with her colleague, the Chairman of the Public Administration Committee, who said on the radio at 1 o'clock that

"the Cabinet Secretary will want to assure himself that nothing has gone wrong at the Departmental end".

Should not the results of this review be put in the public domain? In ruling out an inquiry, has the Prime Minister followed due process? Who exactly has he consulted in the course of the last 24 hours to satisfy himself so quickly as to the veracity or otherwise of these claims?

Does the Leader of the House recall that I asked her for a debate on the Public Administration Committee's report into lobbying back in October at my first business questions? With the benefit of hindsight, does she regret never finding time for that debate? Why did the Government drag their feet on this report for months? The Committee published its original report in December 2008, but the Government did not respond for almost a year, instead of the recommended six weeks. The original PAC report clearly stated that

"with the rules as loosely and as variously interpreted as they currently are, former Ministers in particular appear to be able to use with impunity contacts they built up as public servants to further a private interest."

In reply, the Government did not agree with

"the general assertion that former Ministers in particular are able to use improperly and with impunity contacts they have built up while in office".

Does she now regret that response and, in paragraph 31, rejecting statutory regulation, which she accepted a few moments ago?

Moving forward, does the right hon. and learned Lady agree with me that the advisory committee on public appointments should be placed on a statutory basis? If she does, what explanation does she have for the Government not supporting the amendment to the Constitutional Reform and Governance Bill tabled on 2 March in my name and that of my hon. Friend the Member for Chichester (Mr. Tyrie), which would have done exactly that? Does she agree that we need to review the two-year time limit for ex-ministerial appointments, giving a longer horizon than is currently the case?

The country will expect the Government to deal with these issues thoroughly and promptly. If they are not finalised before Dissolution, does the right hon. and learned Lady agree that it will be the first responsibility of an incoming Government to instruct the Prime Minister's adviser on the ministerial code to undertake a full review of this episode so that Government can learn the lessons of what has gone wrong and then change the rules to prevent a recurrence of this scandal in the future?

Ms Harman: The shadow Leader of the House referred to the "cab for hire" quote. I think I can say on behalf of all hon. Members that that is not what anyone in this House of Commons wants to see, and it is certainly not what the public want to see. The matter is to be investigated by the Parliamentary Commissioner for Standards.

The right hon. Gentleman said that public policy had been altered in respect of transport. I refer him to what I said in my statement, and to today's statement by the Secretary of State for Transport in the House of Lords. Public policy was not altered in any way. It is absolutely refuted and strongly denied that there was any alteration of public policy. The Secretary of State for Transport said that

"there is no truth whatsoever in the suggestion that Stephen Byers came to any arrangement with me on any matter relating to National Express."

He went on to say:

"I told Mr. Byers that such a move would undermine the rail franchise system and would not be in the best interests of taxpayers."

Further to that, the permanent secretary to the Department for Transport has said:

"I have looked into the allegations made over the weekend about improper influence by former ministers on departmental policy making and decision making in relation to National Express rail franchise business. Having made inquiries, I am satisfied that there was no impropriety on the part of ministers or officials in the Department. The Secretary of State for Transport has also made a statement in the House of Lords which rejected any allegation of impropriety."

I ask the right hon. Gentleman to accept that.

The right hon. Gentleman asked why we had not found time for a debate on the register. We found time to debate a motion that I had tabled and to which the House agreed, although it was not without controversy. We found time to ensure that information about every penny earned by Members of Parliament over and above their pay as Members would be available, so that the public would be fully in the picture in regard to who was paying Members of Parliament over and above their salaries, and for what.

We found time to amend the code for Ministers to ensure that, without waiting for Freedom of Information Act requests—incidentally, it was this Government who introduced the Freedom of Information Act—Ministers must publish quarterly information about all organisations that they have met, and specify the subject of those meetings. That will now be in the public domain. We also found time to amend and tighten the rules relating to former Ministers, extending the one year that had

obtained previously to two years, and introducing a requirement for not just notification but approval before any job is undertaken by a former Minister.

I understand that there was no proposal for the Advisory Committee on Business Appointments—if that is the committee that the right hon. Gentleman meant—to be put on a statutory footing by any Member in any part of the House during the passage of the Constitutional Reform and Governance Bill. However, it is worth looking into. The current arrangement appears to be working well at present, but if hon. Members want that—*[Interruption.]* Well, we will consider it.

Mr. David Heath (Somerton and Frome) (LD): I thank the Leader of the House for advance sight of her statement. However, I think it very unlikely that it would have been made today had it not been for the revelations in the press.

The depressing fact is that the House of Commons always has to react to what happens, rather than taking the necessary action in advance. We did the same in the case of the expenses system. We did not react in time, and we have seen the consequences. We have done the same in relation to party political funding: we have not taken the appropriate steps, and we see what is happening as a result. Now there is the issue of lobbying, which we all knew would eventually hit the newspapers.

What will our constituents think when they read that right hon. and hon. Members of this House think that they should be paid, on top of their parliamentary salary, more for two days' work than a pensioner gets in a whole year? That is the reality of the situation. And what is that for? It is for asking a few cosy questions of their chums in government or, in the case of the hon. Member for Luton, South (Margaret Moran), of what she describes as the "girls' club"—I am not sure what that comprises. We are talking about questions being put not on behalf of constituents or the national public interest, but for the partisan commercial interest of whoever is prepared to pay the cab fare, and that cannot be right.

On the individual decisions, I note, as the right hon. and learned Lady has done, that the Transport Secretary has just answered an urgent question in another place. That was done in another place because the Transport Secretary cannot come here to answer elected Members on a key matter of public interest, and neither can the Secretary of State for Business, Innovation and Skills—neither of them are Members who have been elected to their current office. In order to dispel any lingering doubts, will the Leader of the House arrange for every record of meetings on this matter, as well as letters, e-mails or any other contacts, to be made openly available so that we can judge whether there has been any influence on policy?

The Leader of the House referred to the ministerial code and the work of Sir Philip Mawer, who was asked to investigate. We must remember that he can investigate only at the request of the Prime Minister; the Prime Minister is the only one who governs the ministerial code. I have very little confidence in the Prime Minister in this respect, because I happen to know that my hon. Friend the Member for Lewes (Norman Baker) has sent three letters to him with complaints about a former Minister who may have breached the ministerial code and he has not yet received a reply. So what confidence can we have in that code? Should the code be adapted so that Ministers and civil servants are required not even to entertain approaches from Members of this House if they are made on behalf of commercial interests—if they are made on behalf of paid advocacy? There is no reason why Members should have access to Ministers on that basis; they are not working on behalf of their constituents, so why should they have that privileged position?

The Leader of the House has said that she is interested now—suddenly—in what the Public Administration Committee said about the statutory register for lobbyists, but she has had that report for some time and parliamentary vehicles were available for that to have been enacted. Why was it not? We have had plenty of time to debate lots of other things, so why did we not have a debate and an amendment—a Government proposal—on this subject? Why did she not accept the amendment tabled by my hon. Friend the Member for Cambridge (David Howarth) to the Companies Act 2006, which would have required companies to register when they decide to hire a Member of this place in order to do their business? Why did the Government resist that amendment and not let it through?

The fact is that we are tougher on the lowliest parish council member than we are on Members of this House. It seems to me that paid advocacy in Parliament for commercial or partial interests is not compatible with the duties of a Member of this House.

Ms Harman: The hon. Gentleman says that we are taking action after the event. I have set out the action that we have already taken to make sure that details of meetings with Ministers, which previously were completely secret and not known to the public, are all routinely put in the public domain. I have explained to him that we have taken action to extend the period of time in which former Ministers must seek permission for a job they do. I have also set out to the House that whereas previously Members could be paid by companies or any organisation and it was shrouded in secrecy, we brought a motion before this House that now requires Members to register all the income they receive for work done in addition to their work as Members of this House. I ask him to recognise that we are not taking action after the event; we have taken action before the event. The allegation about my right hon. Friend the Member for North Tyneside (Mr. Byers) will be investigated by the Parliamentary Commissioner for Standards.

As far as the civil service code is concerned, we have put that on a statutory footing. As for people being paid on top of their salary, I agree with the hon. Gentleman, and the step that we have taken is to ensure that instead of its being shrouded in secrecy, it is known to the public. He should recognise that the House took that decision. Previously, that information was shrouded in secrecy and now all members of the public can see it.

The hon. Gentleman asked me to put in the public domain information about meetings held by the Transport Secretary prior to the National Express decision. Because since 2007 we have decided automatically to make public the meetings that Ministers have, that information should already be in the public domain for decisions that were made in July and November last year. The hon. Gentleman is asking me to put information in the public domain—not only the fact of the meeting but what the meeting was about must be put in the public domain.

[Ms Harman]

The hon. Gentleman says that we are suddenly interested in the report of the Public Administration Committee. That is not the case—

Mr. Peter Bone (Wellingborough) (Con): So you are not interested then?

Ms Harman: No, what has happened is that there have been ongoing discussions about establishing a register of lobbyists so that there can be more transparency about who is acting on whose behalf. Because of the public concern that has arisen out of the most recent allegations, we think that it is right to move that forward on to a statutory footing to reassure the public that there is a statutory register. The law will require those who are lobbyists to register the fact that they are lobbyists as well as who their clients are.

The hon. Member for Somerton and Frome (Mr. Heath) asked why companies should not have to register when they hire an MP. I would answer that it is the responsibility of the MP to register that they have been hired. That is certainly an important first step, which did not exist before last June, when it came into effect. We have just started to register that information.

I would share with the hon. Gentleman—I think all hon. Members would do so, too—a sense that we do not want anybody in this House to bring the House into disrepute. We do not want anybody to bring Government into disrepute or to throw a cloud of suspicion over a Government who are acting in the public interest. That is why it is important for me to be so emphatic, so that we reassure the public that whatever actions have been taken by individual Members of this House, they will be investigated. I can assure hon. Members that when it comes to decision making by Ministers, the Secretary of State for Business, Innovation and Skills or the Secretary of State for Transport, they have taken those decisions as Ministers of the Crown in the public interest.

Several hon. Members *rose—*

Mr. Speaker: Order. No fewer than 21 hon. and right hon. Members are seeking to catch my eye. Accommodating all of them will require short questions and short answers.

Mr. David Winnick (Walsall, North) (Lab): Although I recognise the steps that have already been taken and what my right hon. and learned Friend has set out, may I ask her this question? Why should any hon. Member be involved in lobbying for commercial interests? No one has been elected to do that and it is understandable that if we are to continue to clean up Parliament, such lobbying should be totally outlawed. There is no justification for it and I hope that my right hon. and learned Friend recognises the strength of public opinion on this issue.

Ms Harman: I certainly do. I think that I have made my views on this known to the House on a number of occasions. I know that my hon. Friend will be aware of them. It was a very important step for the public—who, after all, are the people who vote for us to be in this House of Commons—to know whether a Member of Parliament whom they have been sending to the House of Commons is doing work that is different from or over and above the work that they were elected to do. Their constituents should know that. Before we took that step, it was not possible for the public to know that. The fact that it has made a difference has been attested to by the fact that a number of Opposition Members, including possibly some shadow Cabinet members, have decided to relinquish outside interests rather than fully registering them. It shows that it has made an important difference.

Sir Peter Tapsell (Louth and Horncastle) (Con): Despite the seriousness of the allegations levelled against the Privy Counsellors, does the Leader of the House agree that they pale into insignificance when compared with assertions that Mr. Blair has been seeking to make money for himself through ventures in Iraq of all places?

Ms Harman: Mr. Blair is a private citizen who is entitled to do whatever is within the law. That is not a responsibility of this House, or a responsibility of mine as the Leader of the House.

Paul Flynn (Newport, West) (Lab): The Member in question is not the first man to indulge in boastful fantasies while talking to a young woman, but should not this shameful episode convince the House of the need to follow the fine example of the Public Administration Committee, which united to make an all-party, tough recommendation to make sure that MPs could never again be for hire?

Ms Harman: I agree with the sentiments of my hon. Friend, and I think that important steps forward were taken by having full transparency. The register of lobbyists will also take things forward on a statutory basis.

Justine Greening (Putney) (Con): Why does it always take a crisis before the Government ever take any action on preserving the integrity of the House? With an election just weeks away, why will the Leader of the House not finally agree to have a fair, impartial and independent inquiry into all this?

Ms Harman: I would respond to the hon. Lady's question in two ways. First, I do not want to have to reiterate to her all the action that we have already taken to toughen up the system and to make sure that it is transparent, that there are clear rules and that those rules are enforced. I have explained to the House that, in respect of my right hon. Friend the Member for North Tyneside, there is going to be an investigation into his conduct by the Parliamentary Commissioner for Standards. If my right hon. Friend's conduct is found to have fallen short of the principles of public life, set out in the code of practice for Members of Parliament, further action will be taken. That investigation is under way.

As far as the question now is concerned, in respect of the decisions taken by the Government, as I said in my statement, the Prime Minister has sought the Cabinet Secretary's assurance that Departments have looked into the claims. One would not expect them to wait after allegations of such seriousness had been made. They looked into these matters right away and, as impartial civil servants, they have given their view that there was

"no improper influence on Government policy and decisions."

I hope that the hon. Lady and the public will be reassured about this.

Colin Burgon (Elmet) (Lab): Is the Leader of the House aware of the revulsion that is felt by many Labour MPs about the attitude of so-called Labour colleagues? Surely, the answer to all this is to cut the Gordian knot and make sure that all MPs, especially Labour MPs, have no outside work at all when they are MPs. On a lighter note, will she at least say that this could mark the final nail in the coffin of the new Labour project?

Ms Harman: If my hon. Friend looks at the previous Register of Members' Interests, he will find that by far the most registered interests for people earning outside Parliament were not from those on our side of the House. I did not make that point in my statement, but he has provoked me to explain what the reality was. That is why we have argued for greater transparency.

Mr. Peter Bone (Wellingborough) (Con): Are we not seeing a tired, worn-out Government who are mired in sleaze? We cannot go on like this; it must be time for change.

Ms Harman: I strongly refute the allegation that there has been any impropriety on behalf of Ministers. I have already referred the House to what has been said by the Department for Transport, and I can refer the House to what was said by the Department for Business, Innovation and Skills. The permanent secretary has said:

"I have looked into the allegations made over the weekend about former ministerial influence on policy-making. I am satisfied in the light of these investigations that there has been no improper influence on officials in my Department."

In addition, I can report to the House that the Business Secretary has said that he has not spoken to my right hon. Friend the Member for North Tyneside about food labelling regulations, and that he would not expect to.

Mr. Dennis Skinner (Bolsover) (Lab): Does my right hon. and learned Friend agree that, on many occasions over the past many years, I have raised the question of Members of Parliament serving two masters and taking money from outside? There is only one solution to the matter, and it is that all Members of Parliament, on all sides of the House, must have one job and one job only—serving their constituents. Is it not high time that we put that in the manifesto and presented it to the people? Opposition Members would treat such a pledge in the manner that we expect, because they have so many lobbyists. No one starves on £60,000 a year, so let's get on with it.

Ms Harman: I sympathise with my hon. Friend's sentiments, and he and I have discussed this on many occasions. I think that the public ought to be absolutely confident that their Member of Parliament is acting in their interests. They need to know who Members are taking money from, and for what.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The Leader of the House has sought many times today to reassure the House that the individuals involved did not, and could not, influence Government policy. Should they not be investigated for attempting to obtain pecuniary advantage by deception?

Ms Harman: If there is any evidence of criminal wrongdoing, that is something that the police will decide independently to investigate. It is not for me as Leader of the House, or indeed for Ministers, to direct police investigations. It is for the police to work out what they want to investigate, and to take that forward with operational independence.

Mr. Gordon Prentice (Pendle) (Lab): We on this side of the House are all scandalised by the behaviour of the Member for North Tyneside (Mr. Byers). It was a disgrace, and absolutely shaming. I want to congratulate my Friend on saying at the Dispatch Box that the Government—hopefully the next Government—will bring forward a mandatory register of lobbyists. However, I did not hear the Gentleman who speaks for the Opposition commit his party to bringing in a mandatory register.

Ms Harman: We will put the mandatory register proposal in our manifesto, and we hope that all parties support it. A reading of the previous Registers of Members' Interests shows that large sums of money have been taken, overwhelmingly by Opposition Members. They held something like 70 per cent. of directorships, whereas something like 30 per cent. were held by Members on this side. We should recognise that the rules that we have brought in are important for all Members of this House.

Alistair Burt (North-East Bedfordshire) (Con): But on what terms are briefings given to former Secretaries of State about future Government policy? An example would be briefings given by the Ministry of Defence to the former Secretary of State for Defence. It cannot be within the terms of such briefings that they are available for use for commercial gain by private companies, as the former Defence Secretary himself has alleged.

Ms Harman: Briefings are not given to former Ministers unless they have a particular responsibility to carry out on behalf of the Department or of the Government. If they have such a responsibility, they carry it out in the public interest, and not for any private interests.

Mr. John Grogan (Selby) (Lab): The noble Lord Whitty recently attacked the influence of lobbying companies representing producer interests in securing important amendments to the Digital Economy Bill. Given that, would it not be an affront to our democracy if that Bill, which has been so heavily influenced by lobbyists, were to be rushed through its Second Reading on Easter Tuesday—possibly as the Prime Minister is on his way to the Palace to seek the Dissolution of Parliament—and then rushed through its final stages in the wash-up?

Ms Harman: The Digital Economy Bill is of great concern not just to lobbyists, but to consumers and providers of digital services. We will look for an opportunity to bring it back to the House for debate. There is no intention to rush it through, and certainly no intention to serve the interests of lobbyists. The intention is to serve the interests of this country.

Mr. Brooks Newmark (Braintree) (Con): Can the Leader of the House say whether the Prime Minister spoke to the Cabinet Secretary or even the Business Secretary before ruling out a Government investigation?

Ms Harman: The Prime Minister today sought the Cabinet Secretary's assurance that Departments had looked into the claims. Inquiries had already been made, as they would following any such serious allegations. As soon as such an issue is raised, the relevant Departments will immediately look into them. The relevant permanent secretaries at the Department of Health, Department for Business, Innovation and Skills and Department for Transport have assured the Cabinet Secretary that they are satisfied that there has been no improper influence on Government policy or decisions. That is their assurance, which they are setting out in public statements later today. That is the information that the Prime Minister sought.

Mr. Mark Field (Cities of London and Westminster) (Con): Given that the apparent defence of the right hon. Member for North Tyneside (Mr. Byers) to these very serious allegations is that he is a liar, does the right hon. and learned Lady regard him as a fit and proper person for elevation to the House of Lords, which presumably is what he is looking for, come the next election?

Ms Harman: The Parliamentary Commissioner for Standards will be investigating the conduct of the right hon. Member for North Tyneside. It is not for me to pronounce on that. It is a matter for the commissioner, as far as the House is concerned.

Mr. Bernard Jenkin (North Essex) (Con): Did Lord Adonis inform the permanent secretary as soon as he had been approached by the right hon. Member for North Tyneside, who was representing the interests of National Express? Is not the real problem that we are relying entirely on a Minister's word that the ministerial code has been complied with? Who enforces the ministerial code? Is it not Ministers themselves and the Prime Minister? Is there not a case for putting the ministerial code for Ministers and former Ministers on to a statutory footing?

Ms Harman: The Secretary of State for Transport has answered questions on precisely that issue in the House of Lords today. The hon. Gentleman will know that the foremost responsibility of a Minister is to Parliament. Ministers are bound not to mislead Parliament. The Secretary of State for Transport has answered questions at the Dispatch Box. He told the House of Lords that he has acted with total propriety at all times. He has given that absolute assurance to the House of Lords, and I hope that the hon. Gentleman and other hon. Members will accept that.

Mr. Andrew Robathan (Blaby) (Con): In her statement the Leader of the House said that partially to avoid "any inappropriate or undue influence . . . details of Ministers' meetings with outside interest groups and individuals" are published. Given that we are told, and we see on the television, that Charlie Whelan has regular access to 10 Downing street and is alleged to have a desk in 10 Downing street, can the Leader of the House assure us that any meeting between the Prime Minister and Charlie Whelan is published?

Ms Harman: I will have to write to the hon. Gentleman about the situation in relation to the Prime Minister's diary. I know that if Ministers meet representatives of organisations, those meetings are reportable on a quarterly basis.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): The right hon. and learned Lady will know that I am a practising barrister. I have always declared that and, as such, I have always defended the right of hon. Members to have declared external interests. I make no comment about the three Members referred to in *The Sunday Times* article because I have no special knowledge at all, but what surely would be wrong and very difficult to justify would be for an hon. Member to use their position as a Member of Parliament to perform parliamentary functions in return for a specific payment. What would be quite impossible to justify would be doing that without declaring the fact. Is that not where the evil lies?

Ms Harman: I think that that would count as paid advocacy. No one can be paid for taking a particular action in this House, whether it is making a speech or tabling a question. We outlawed paid advocacy, but I agree that, notwithstanding what my hon. Friend the Member for Bolsover (Mr. Skinner) said, the public distinguish between people who pursue what was their profession before they entered the House, perhaps as a doctor or even as a lawyer, and people who take on commercial interests once they have entered the House. That is the big dividing line about which the public are concerned. Notwithstanding that, it is important that all payments are revealed, including payments to those who sit as judges on the bench and those who act as lawyers.

Andrew Mackinlay (Thurrock) (Lab): May I reiterate to my right hon. and learned Friend that the overwhelming majority of constituents and, I think, Members here believe that being a Member is a seven-day-a-week job, 52 weeks a year? There is simply no room for other employment, and it should be outlawed. Will she look at the attendance of some of our colleagues who are subject to criticism? They do not turn up to vote—some of them, I forget what they look like. I believe that we should work right up until the final whistle blows on 9 August, or whenever it is, and until we reach that stage everyone should be here every day.

Ms Harman: For those hon. Members who are standing for re-election, it is their constituents who will decide what is appropriate based on what they have done; it is their constituents who will judge their record of attendance and what they have said while they have been here; and it is their constituents, too, who will judge the work that they have done in their constituencies, because hon. Members work not only in this House, but in their constituencies. Ultimately, the electors will have the final say, and rightly so.

John Hemming (Birmingham, Yardley) (LD): A few years ago a lobbyist offered me a sum of money to make a speech in support of redundancies at the National Blood Service, which I found very strange, but because the speech would have taken place outside, not inside, the House, I could not get the Parliamentary Commissioner for Standards to intervene. In reviewing the rules, could we ensure that MPs are able to report lobbyists who ask for improper actions outside, as well as inside, the House?

Ms Harman: I think that any money that is paid to Members for what they do inside or, indeed, outside the House—every single pound that is paid in that respect—has got to be registered so that the public can see and the voters can make their judgment.

Mark Pritchard (The Wrekin) (Con): Can the Leader of the House inform hon. Members whether the Prime Minister spoke to the Transport Secretary before ruling out an inquiry into all those shady dealings?

Ms Harman: The Prime Minister sought assurances and received those assurances, but, obviously, permanent secretaries and the Cabinet Secretary would keep all those things under consideration. However, the Prime Minister sought the assurances and received them.

Bob Spink (Castle Point) (Ind): This is another low ebb for the House—as bad as cash for questions and 1997. Does the Leader of the House think that it is perhaps time for more Independents in this House?

Ms Harman: No, but I do think that it is time for the tough rules that we have to be swiftly and effectively enforced.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): The Leader of the House has been very precise in her choice of words. She said that the civil servants advised that there had been no improper influence. By inference, there was influence, therefore, and it was proper, so will she tell the House the extent of that influence?

Ms Harman: It is an unusual accusation—that I have been precise in the imprecision of my words. I have simply tried to assure hon. Members, including the hon. Gentleman. People would be rightly very troubled if they thought, and were right in their fear, that massive and important decisions such as those on food labelling and the distribution of franchises for rail operators were made because a Minister listened to a former colleague who was being paid. The public would be rightly horrified—we all would be—and I want to assure the hon. Gentleman and the House that that was not the basis on which those decisions were taken. If there is a question of wrongdoing by those other than Ministers, such as those who are being investigated, that is not a matter for me. However, I assure the hon. Gentleman that there was no impropriety or undue influence when those very big and important decisions were taken.

Points of Order

4.20 pm

Mr. Simon Burns (West Chelmsford) (Con): On a point of order, Mr. Speaker. May I seek your guidance and advice? My understanding is that when a Department seeks to group questions together at Question Time, it is a common practice and courtesy that hon. Members whose questions are going to be grouped together are notified in advance by the Department that that is going to happen. I have spoken to a number of my colleagues who had their questions grouped at today's Home Office questions, and they all tell me that none of them had been notified in advance. I certainly know that a few weeks ago I had a question grouped and the first time I knew about it was when I saw it on the monitor rather than from any notification to my office. Can you confirm that Departments should still be continuing the practice whereby they notify hon. Members, and could you use your offices to ensure that they return to the courtesy that we always expected from them?

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order. His understanding of the custom and practice is entirely correct, and that custom and practice should continue. It most certainly should have applied on today's occasion and, indeed, on all others. It is helpful that the Leader of the House is present when I am answering the hon. Gentleman's point of order, and she may wish to respond. She is not obliged to do so, but she may wish to do so. I can say only that I regard it as a fundamental courtesy that when a grouping is proposed the ministerial team should notify Members affected in advance and without fail. Does the Leader of the House wish to comment?

The Leader of the House of Commons (Ms Harriet Harman) *indicated dissent.*

Mr. Speaker: Okay. However, I have made the position very clear and those on the Treasury Bench have heard it.

Mr. Stewart Jackson (Peterborough) (Con): On a point of order, Mr. Speaker. I wish to seek your guidance having already given you prior notice in writing. On 15 March, the Under-Secretary of State for Communities and Local Government, the hon. Member for Dewsbury (Mr. Malik), issued an answer to this written parliamentary question from me:

"To ask the Secretary of State for Communities and Local Government whether the regional fire control rooms in London will be operational and live by September 2011."

The Minister's reply was as follows:

"Under current planning assumptions the regional fire control centre for London is due to become operational during September 2011. Planning assumptions are currently under review." [*Official Report*, 15 March 2010; Vol. 507, c. 666W.]

That gave a clear impression that the London fire control centre was still on course to be operational by September 2011. As we know, Mr. Speaker, the Olympics run from July to September 2011. *[Interruption.]* In 2012—I beg your pardon. However, I have subsequently discovered that on 9 March the Minister wrote to the London Fire and Emergency Planning Authority to say:

"I have asked the FiReControl team to begin discussions with your project team about how we can move to a planning assumption that London would only join the FiReControl network after the Olympic Games."

[Mr. Stewart Jackson]

The ministerial code states that

"it is of paramount importance that Ministers give accurate and truthful information to Parliament, correcting any inadvertent error at the earliest opportunity"

and that Ministers should

"be as open as possible with Parliament and the public".

In this context, the Minister's reply represents a significant and inadvertent misleading omission in failing to indicate that he was preparing to delay the project. I therefore ask what guidance you can give so that we can bring the Minister to the Dispatch Box to make a full statement to the House.

Mr. Speaker: I am grateful to the hon. Gentleman both for his point of order and for giving me advance notice of it. It is not, of course, for me to adjudicate on the accuracy of answers. It is open to the Minister to issue a correction if his answer was erroneous. Otherwise, the hon. Gentleman may seek advice from the Table Office about ways of pursuing this matter.

Justice and Northern Ireland

Mr. Speaker: Order. Before I call the Secretary of State to move the first motion, I understand that it may be for the convenience of the House if the three instruments are debated together.

4.24 pm

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): I beg to move,

That the draft Northern Ireland Court Service (Abolition and Transfer of Functions) Order (Northern Ireland) 2010, which was laid before this House on 10 March, be approved.

Mr. Speaker: With this we shall discuss the following motions on Northern Ireland:

That the draft Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, which was laid before this House on 10 March, be approved.

That the draft Northern Ireland Act 1998 (Amendment of Schedule 3) Order 2010, which was laid before this House on 10 March, be approved.

Mr. Woodward: Today's business will enable the completion of devolution in Northern Ireland through the transfer of policing and justice powers to Stormont. The three orders before the House will give effect to the historic vote at Stormont on 9 March. The vast majority of the Northern Ireland Assembly voted to request the transfer of those powers, which was hoped for from the time of the Belfast agreement and envisaged in the St. Andrews agreement. An agreement on a timetable was reached at Hillsborough castle earlier this year.

The completion of devolution will see the arrangements for sharing power fully realised on 12 April. It will ensure that local politicians in Northern Ireland can take responsibility for decisions that should and can be taken in Northern Ireland. Today we complete our responsibilities for the peace process and complete the political process for which we have responsibility, and we enable the Assembly at Stormont to complete its arrangements for full devolution.

I am grateful to all those who have enabled us to reach this crucial moment in the history of Northern Ireland. I thank the First Minister, the Deputy First Minister and all the Assembly party leaders in Northern Ireland, even if agreement was not quite unanimous last week. That Northern Ireland can today live with its disagreements and ensure that division is contained within democratic institutions sends a signal of how the political process and the peace process have transformed Northern Ireland. Today in Northern Ireland we can disagree, but we can be certain that politics will be the only way forward to reconcile disagreements. Today's Northern Ireland has demonstrated that politics has come of age, and when the will of a cross-community majority is respected, we know that we have succeeded.

We could not have made such progress without the political will of right hon. and hon. Members of all parties and the Members of another place. Cross-party support has been essential, and that has been true for many years. I want to take this opportunity to thank the Irish and American Governments for their respective roles in helping to reach political agreement. I am sure the House will want to place on record its thanks especially to Secretary of State Clinton and the United

States economic envoy for all that they have done, and continue to do, to bring the dividends of political agreement to people in every community in Northern Ireland.

The three orders before us give effect to the devolution of policing and justice matters in Northern Ireland, in line with the framework set out in Acts of Parliament since the Good Friday agreement. They reflect the Hillsborough castle agreement and the request of the Assembly for the devolution of policing and justice responsibilities approved in its cross-community vote of 9 March.

The Northern Ireland Act 1998 (Amendment of Schedule 3) Order 2010 is the key document. It provides for policing and justice matters, which until now have been reserved, to be transferred so that the Assembly can legislate on them without having to seek consent. The matters being transferred reflect the Assembly's request of 9 March. Some matters, such as national security, will remain excepted; some will remain reserved, one of which is parading. The Hillsborough castle agreement, however, envisages that responsibility for parading will transfer after a cross-community vote, once the proposed new and improved framework has been agreed and finalised.

Also reserved is the special provision for 50:50 recruitment to the Police Service of Northern Ireland. We are confident that we shall reach our target of 30 per cent. Catholic composition by March of next year, and we are committed to returning to Parliament and ending the provision at whatever point in the year it becomes clear that we will reach that target. National security remains excepted under the order. It remains just that—national security—and it will remain the responsibility of UK Ministers, accountable to this House.

The second order, the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, makes a large number of amendments consequential on the changes in legislative competence. They largely involve the transfer to Northern Ireland authorities of executive functions, reflecting the transfer in legislative responsibility. The main recipient of those functions is the new Northern Ireland Department of Justice, which the Assembly has already legislated to establish.

In the case of some functions that will transfer, there is potentially an interface with national security matters. That will remain the Secretary of State's responsibility. In those cases, the order makes clear the respective roles and responsibilities of the Northern Ireland Justice Minister and the Secretary of State. The order provides, in line with the Hillsborough castle agreement, that quasi-judicial decisions may be made by the Justice Minister, and need not go to the Northern Ireland Executive.

The order also gives effect to various transfers of property and of most of the staff in the current Northern Ireland Office. Those staff will move to the Northern Ireland Department of Justice, leaving a small number who will continue to work to me as Secretary of State on my remaining responsibilities.

Finally, the Northern Ireland Court Service (Abolition and Transfer of Functions) Order (Northern Ireland) 2010 transfers functions of the Court Service in Northern Ireland, which are currently the responsibility of my right hon. Friend the Lord Chancellor, to the Northern Ireland authorities, generally the Department of Justice. The staff of the Court Service will also be assimilated into that Department.

The orders will come into effect on 12 April, in line with the Hillsborough castle agreement. The Justice Department will be well provided for financially as part of the £800 million of additional money that my right hon. Friend the Prime Minister promised for the new Justice Department. All but £26 million—2 per cent. of the Northern Ireland Office's current baseline budget—will transfer to the Northern Ireland Executive as will the entire Northern Ireland Court Service baseline budget. The Department will be well provided for in finance, people and ideas to carry forward its work.

I readily acknowledge that not everyone was entirely satisfied by the outcome of the Hillsborough castle agreement. I believe that much of that dissatisfaction is unfounded, as the arrangements for the talks were designed to bring all the parties together in a process, which was designed from its inception to be inclusive. Even if, after 10 days, the talks were somewhat exhausting, I believe that, at the end of them, the agreement that we reached has allowed the peace process and the political process to be completed.

I am particularly aware of the remaining concern about the arrangements for the Justice Department in May 2012, if there has not been further agreement on the ministerial model for that Department. However, as set out in the Northern Ireland Act 2009, the Department of Justice will dissolve on 1 May 2012 unless the Assembly has resolved on a cross-community basis to continue the current model for appointing the Justice Minister or passed an Act to put in place alternative arrangements.

When Parliament passed the legislation in March 2009, the House was aware that the arrangements reflected agreement between the First Minister and the Deputy First Minister—specifically that the arrangements set out in their November 2008 statement should be time limited to end in May 2012.

Clearly, further work is needed to agree the post-2012 arrangements. However, we should be optimistic. The parties, both at Hillsborough castle and more recently, have demonstrated their ability to meet far greater challenges and to work through all the obstacles that may be placed in their way.

Lady Hermon (North Down) (UUP): I am so sorry to interrupt the Secretary of State, but will he just reassure the people at home about the Policing Board in particular? He knows that it has been very successful and that there is unfortunately some disquiet that, when a justice scrutiny committee is set up in the Assembly, it might inadvertently undermine the Policing Board's confidence, role and status. Will the Secretary of State please address that issue?

Mr. Woodward: The hon. Lady asks an important question. Like many questions that she has asked in the course of the past few months' work, it is to the point. The arrangements for the Policing Board, those with the Chief Constable and those that envisage the Assembly's setting up a committee were imagined in the Patten architecture. It was always envisaged that there would be an important relationship between the Policing Board, the Chief Constable, the Department of Justice and the committees that would be set up. I believe that that is

[Mr. Woodward]

properly outlined in the protocols and memorandums that we have supplied on policing architecture. Like Patten, I do not see that there would be a problem for the Chief Constable's independence, for the Police Service of Northern Ireland's operational capacity, for the Policing Board's fully representative functions of the political parties or for the scrutiny work to be carried out by an Assembly justice committee.

It is, of course, for the Assembly to decide the functions of such a justice committee. However, I remind the hon. Lady that, as she knows well, that arrangement was always envisaged by Patten, and it is not a new addition by this Government or a new arrangement. I believe that it is quite possible to see how what is effectively a tripartite organisation will work effectively together in terms of the objectives of policing and scrutiny. Again, that matter will be resolved far more easily when the architecture is put in place in practice, which we will see after 12 April.

As I was saying, we of course regret the decision by the Ulster Unionist party not to vote for the transfer with the rest of the Assembly in the cross-community vote on 9 March. That remains a matter of regret not just for me, my right hon. Friend the Prime Minister and the Government, but for many, not least the majority of the public and many of those who would have voted, or had intended to vote, for the Ulster Unionist party in future.

If we look at the arrangements, however, we see that they inspire confidence. I congratulate all the Northern Ireland Assembly parties on establishing successful community confidence in the past few weeks. With the vote taken last week, it is time for all parties in Northern Ireland, and all Assembly Members from every party, to again put differences to one side and work together. The majority in the Assembly expressed its view last week, and I very much hope that that majority view will now be allowed to prevail. In that spirit, the task for all the parties in the Assembly and Executive is to ensure that all aspects of the settlement work most effectively for all the people from every community of Northern Ireland.

To that end, one of the most important outcomes of the Hillsborough castle agreement was the decision by the First Minister and the Deputy First Minister, who listened at Hillsborough castle to the concerns of all the Assembly parties, to improve the functioning of the Executive. It is very much to the credit of the First Minister and Deputy First Minister that as part of the Hillsborough castle agreement, a number of working parties were established precisely because they had listened to the concerns of the other Assembly parties as well as members of their own parties not only at Hillsborough, but in the previous months. That is why we welcome the role of Sir Reg Empey, along with that of the leader of the Social Democratic and Labour party, Margaret Ritchie, who will chair one of the working groups that has been specifically set up to enhance the effectiveness of the Executive.

At Hillsborough, the parties also agreed to address and find consensus on remaining outstanding issues and existing problems. On parades, for example, the working group has already produced a report for the Office of the First Minister and Deputy First Minister. It is appropriate to record in this House the support given by the Orange Order to the progress to date on, and the work to find local solutions to, parading issues and contentious parades, which has been established as a result of the work at Hillsborough castle.

In short, I remain convinced that no outstanding issues are incapable of resolution in today's Stormont and today's shared-power Executive in Northern Ireland. None the less, a very small number of people in Northern Ireland, who are extremely dangerous, will never accept democracy and are the enemies of democracy. We have never said that the simple fact of completing devolution and taking responsibility will overnight remove the threat that those dangerous criminals continue to pose. However, as the Independent Monitoring Commission rightly said at the end of last year, early devolution will be a potent intervention, because it shows that politics is the only way ahead, and it demonstrates that it is possible to reconcile even the seemingly irreconcilable through dialogue and politics.

The successful cross-community vote last week was the best signal that we could possibly send to those dissidents that however delusional their ambitions, they have no future in Northern Ireland. The PSNI and the Chief Constable will have the support of all Assembly Members, and continue to enjoy the support of all Members of this House and the other place and of the Government, in meeting the challenges ahead. The PSNI will have the resources that it needs, including an extra £28.7 million this year, ring-fenced—and at least £38 million next year—specifically to deal with the challenges posed by that small group of criminals who, I remind hon. Members, have little or no support in any of the communities in Northern Ireland. The policing structures are in place and the politics are in place.

I have spoken of some of those who have played a leading part in the transformation of Northern Ireland. But in truth the real heroes of this remarkable story are the people of Northern Ireland whose indefatigable spirit and courage is exemplified in the words of Kate Carroll, whose husband Stephen was murdered by dissident republicans as he served the community exactly a year to the day before the vote on 9 March. Stephen's wife said:

> "It is time to move on. We are not in the past any more. We want to speak for ourselves. We want to rule ourselves. Just get up and get on with it".

These orders will help Northern Ireland to do precisely that.

4.42 pm

Mr. Owen Paterson (North Shropshire) (Con): The Secretary of State has today made a written statement on the Saville inquiry. I thank him for that statement and the measured tones in which it is written. We endorse the arrangements that he proposes, but given the sensitive nature of the subject matter and the huge size of the report, it is not appropriate to publish it in the weeks before a general election, when the atmosphere becomes increasingly charged. We understand the frustrations of all those connected with the report about further delays, but we believe emphatically that it needs to be published and considered in a sober manner in the calmer weeks following the election.

Turning to the orders, I am grateful to the Secretary of State for setting out the details today. I begin by paying tribute to the police, the judiciary and all those involved in the criminal justice system in Northern Ireland over the past 40 years. They have often worked at great personal risk and many have suffered terribly, with some making the supreme sacrifice. We owe an enormous debt of gratitude to everyone who ensured that the integrity of the criminal justice system was upheld.

As the Secretary of State made clear, these orders give effect to the agreement reached between the DUP and Sinn Fein at Hillsborough on 5 February, and the vote in the Northern Ireland Assembly on 9 March. Once these orders pass through the House and the other place, the devolution of policing and justice powers to the Assembly will take place on 12 April. The last major element of the Belfast agreement, made almost 12 years earlier to the day, will have been completed. For the first time since the powers were taken away from the Northern Ireland Government in March 1972, Stormont will once again exercise powers over policing, criminal justice, the courts and local security issues.

The Conservative party has long supported in principle the devolution of policing and justice powers. We said so as far back as 1998 in our submission to the Patten commission, and our view has not changed. These powers are best exercised in Northern Ireland by politicians accountable to the electorate there, not by Ministers in this House. That is why we supported legislation this time last year, even though we believed that it could have been improved with a little more time. It is why my right hon. Friend the Leader of the Opposition met the First and Deputy First Ministers in the autumn and rapidly pledged that, should we win the election, we would honour the substantial post-dated financial package agreed by the Prime Minister.

We welcomed the Hillsborough castle agreement, and my right hon. Friend the Leader of the Opposition expressed his hope at the time that it would lead to the completion of devolution. Indeed, following the vote on 9 March, a spokesman for the US State Department referred to the constructive role played by the Opposition throughout the recent negotiations. At all times our overriding objective has been a peaceful, stable and prosperous Northern Ireland in which all its people have a shared future. Whether we remain in opposition or return to government in a few weeks, that is the approach that we shall continue to take. We therefore support the orders before the House today.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I commend the hon. Gentleman very much on the approach that he has outlined. The history in recent years is one in which Northern Ireland business has been approached in a non-partisan way, and I am delighted to hear that that will continue. May I therefore invite him to disown the remarks of one Ian Parsley, who I understand is a Conservative candidate in the constituency of North Down? He has commended the Ulster Unionists in a blog post on being alone in standing up for the people of Northern Ireland, saying:

"The wide-ranging attacks on the Ulster Unionist Party for failing to back the devolution of justice prior to improvements in the functioning of the Executive are an example of the complete loss of morals that now typifies the 'Peace Process'."

Surely that cannot be acceptable coming from a Conservative candidate.

Mr. Paterson: I am most grateful for that intervention, but if the hon. Gentleman can restrain himself, I will return to the issue of the vote in a few moments.

Mr. Carmichael: What about Ian Parsley?

Mr. Paterson: I will come to that.

Even if any Member of this House had had misgivings about the vote on 9 March, they should remember that it represented the democratically expressed will of the Northern Ireland Assembly. Members of this House should have no business seeking to frustrate that: it is how devolution works across the United Kingdom. Equally, we should be careful in this House about seeking to force parties in the Northern Ireland Assembly into voting in a particular way. Devolution is about locally elected politicians using their judgment to make decisions on devolved issues in the best interests of Northern Ireland and based on their knowledge and experience. It is the role of Parliament to respect those democratic decisions and not to interfere. Of course, we could all use our influence, but ultimately, votes in the Assembly are for the Northern Ireland parties represented there to decide. That is a fundamental principle of how devolution works, and I trust that hon. Members in all parts of the House will continue to respect that.

Lady Hermon: I am the sole voice of the Ulster Unionist party in this House, and although I am happy to support the legislation this afternoon, I find myself in a minority position, because my party executive, my party leader and my Assembly colleagues have all voted against the devolution of policing and justice. I very much regret that. As policing and justice are currently reserved, can the hon. Gentleman explain to the House what efforts his party leader, the right hon. Member for Witney (Mr. Cameron), made in conversation with Sir Reg Empey, my party leader? Can the hon. Gentleman explain how often the leader of the Conservative party spoke to my party leader, and say how much effort was expended in trying to persuade the Ulster Unionists to support the devolution of policing and justice in the Assembly?

Mr. Paterson: I am grateful to the hon. Lady for intervening, but I do not see why she cannot ask her party leader herself. I assure her that my right hon. Friend the Member for Witney (Mr. Cameron) had several conversations with her party leader. However, as I have explained, we believe in devolution, and a national party in this place is in no position to force a local party to make a decision based on its own experience. Members of the Ulster Unionist party had a number of genuine and legitimate concerns—about education and the work of the Executive as a genuine four-party coalition—and it was the failure to deal with them satisfactorily that prevented the Ulster Unionists from backing the Assembly vote.

The Ulster Unionists are not alone in expressing dismay at the lack of a genuine four-party coalition: the new leader of the Social Democratic and Labour party made the same points in Washington last week. We hope that those outstanding issues can now be resolved in a spirit of genuine partnership and compromise in the working group at Stormont. We cannot go on with two of the coalition partners feeling excluded from key

[Mr. Paterson]

decisions, which runs counter to the inclusive basis on which the power-sharing institutions were established. Our understanding is that the working group established under the Hillsborough castle agreement to look into the issue is currently stalled. Will the Secretary of State take this opportunity to agree with us that it is vital that we return to a genuine four-party coalition working as envisaged in the Belfast agreement?

Once the devolution of policing and justice takes place next month, that issue will become more important than ever, if the transfer is to take place in a stable political environment. The imperative for all elected representatives is to ensure that devolution works to deliver effective law and order for the entire community in Northern Ireland. Of course, as the Secretary of State acknowledged, the immediate priority is to deal with the threat from dissident republicans. In recent weeks and months, they have increased their activities as they seek to bring death and destruction to Northern Ireland's streets and to drag us back into the past. Barely a day goes by without the bomb squad being called out, and as recently as last Saturday shots were fired at police investigating a suspect package near the railway line in Newry. They are at risk every day, and our thoughts are with Constable Heffron who remains seriously ill. It would be wrong to exaggerate the popular support for the dissidents; equally, it would be irresponsible to underestimate the danger that they present to the public. Will the Secretary of State clarify an important point? Under the new system, who will be responsible for requesting additional support for the civil power should that need arise?

We share the hope that returning policing and justice powers to local politicians will lead to increasing isolation of the dissidents, who offer absolutely nothing to the people of Ireland, north and south. But the fullest support and backing of the police and the criminal justice system is required from everyone. Following devolution, any lingering reluctance to co-operate with the police must end. We welcome the acts of decommissioning in recent months, but tackling lawless criminality must also be a priority. People in Northern Ireland are concerned not just about paramilitary-related crime; in many neighbourhoods, they are concerned about the same issues that are far too commonplace on this side of the water, including antisocial and yobbish behaviour, lack of respect and so-called low-level crime, which blight people's lives.

As the Executive take on their powers, a number of challenges lie ahead. The arrangements that will be put in place after 12 April are interim ones, and they will expire in May 2012. There will need to be a clear focus on establishing a permanent system following the next Assembly elections. Those matters will be for the Executive in the Assembly to decide, but in the absence of agreement before May 2012, what role is envisaged for the Secretary of State to ensure that policing and criminal justice continue to function properly?

We should be clear today about what is not being devolved to the new Justice Minister. He or she will have neither the power to run the police, nor the right to interfere with the judiciary. The Police Service of Northern Ireland will remain under the control and direction of the Chief Constable, who is primarily accountable to the Policing Board. Operational independence, as the Prime Minister said in response to my right hon. Friend the Leader of the Opposition in February, remains vital, and it will be preserved. Those with responsibility for the administration of justice are under a legal obligation to uphold the independence of the judiciary. Those are absolutely cardinal principles for policing and justice throughout the United Kingdom. They must apply equally to Northern Ireland, and I ask the Secretary of State to reaffirm that we will not tolerate any political interference in such matters.

These developments in the police process are significant. They were begun by the previous Conservative Government and taken forward by the current Government. Our sincere hope is that with devolution complete, politicians in the Assembly will begin to focus on the other issues that really matter to the people of Northern Ireland.

Mr. William Cash (Stone) (Con): Does my hon. Friend believe that the outcome of the Bloody Sunday inquiry will destabilise any of the arrangements on the ground as far as the order is concerned?

Mr. Paterson: My hon. Friend may not have been here when I commented on that in my opening remarks. Some sensitive matters will be published in what will be an enormous document, and we would like it to be published after the general election in a calm and sober atmosphere, when it can be considered in its entirety. It would be inappropriate to publish that significant report as we build up to a general election, when the atmosphere will be anything but calm.

Peter Bottomley (Worthing, West) (Con): Does my hon. Friend agree that although we will not know the report's conclusions until after the election, proceedings were, despite their length, held in an open way with the stenographer's notes available to all, and that little in the report will not already be known to people?

Mr. Paterson: It would be inappropriate for any of us to prejudge the inquiry, but I repeat—I think, for the third time—that it is most important that this significant report is published in a calm atmosphere, and I propose that it is published after the election.

To sum up, it is our sincere hope that, with devolution complete, politicians in the Assembly will begin to focus on the other issues that really matter to people in Northern Ireland. It is important to get policing and justice right, but people on the ground are also concerned about key issues such as jobs, health, transport, schools and social deprivation. It is only through making progress on all those issues that devolution will be shown to have worked. We will support the orders today, and we wish the Assembly and the Executive well in exercising their new powers.

4.55 pm

Mark Durkan (Foyle) (SDLP): I rise to express my support for the orders before us today, consistent with what has already been approved in the Assembly in relation to taking devolution forward towards its fuller, more rounded completion. Those of us who took part in the negotiation of the Good Friday agreement—and in its early, faltering implementation—are glad that we are now looking at the consummation of the new politics and the new beginning for policing, both of

which derive from that agreement. It has been a hard and difficult course, which has involved taking institutions through all sorts of uncertainties and stalemates, as well as various suspensions and collapses, and taking the controversies surrounding the Patten report and driving and delivering its successful implementation, in spite of opposition and harassment from others—not least Sinn Fein and its supporters.

To have reached a point at which we can see the devolution of justice and policing powers, alongside the other competences of the Assembly and the Executive, is a significant achievement and development. Many of us have pursued those goals in the various negotiations that have taken place since the Good Friday agreement. Those have included the Mitchell review, the Hillsborough talks, the further talks at Castle Buildings and the discussions at Leeds castle and in various other places here and there. We have always argued for implementation calendars that included setting a clear timetable for the devolution of justice and policing, among other things. We therefore welcome the fact that we are now, finally, making moves in that direction.

These, and other issues, were addressed in the negotiations at St. Andrews. Coming out of those negotiations, certain false claims were made that the devolution of justice and policing was guaranteed by May 2008. That was clearly not the case, however. We in the Social Democratic and Labour party told the truth about that; Sinn Fein, however, lied about it to many, many people. Notwithstanding all the difficulties that were experienced then and since, we are now making welcome progress.

That progress is not complete, however. Some Members here have talked about the completion of the devolution of justice and policing, but we are not seeing a complete transfer of those powers. Indeed, the orders today reveal that certain matters remain reserved and excepted. Questions will arise, not only about the relationship between the Minister of Justice, the Executive and the wider Assembly, as they did at Hillsborough, but about the interface between devolved and non-devolved powers. We, as legislators, need to acknowledge that fact today.

Mr. Cash: The hon. Gentleman has a long, distinguished record of fighting hard for his cause. In the light of what he is saying, and of the whole concept of devolution, where does he believe that devolution would end and home rule begin?

Mark Durkan: I had better not start on the issue of home rule. In Ireland, history is current affairs, but I shall try to keep to more current affairs in relation to these matters. The hon. Gentleman has raised a fair point, however, and I was going to touch on a number of the questions that are still likely to arise.

We want to give the public confidence that the devolution of justice and policing is complete and that we are faithfully delivering on Patten and on the political institutions as envisaged by the agreement, but questions will arise about some of the residual matters that have not been fully and properly transferred to the control of the devolved institutions. There are a number of examples.

This House passed the Justice and Security (Northern Ireland) Act 2007. Among its controversial provisions is the continuing facility for no-jury courts in Northern Ireland, which was a breach of a previous commitment by this Government to ensure that all the emergency legislation would be repealed. We saw instruments to let those powers go by the wayside, but then we saw a number of those emergency provisions recycled in the 2007 Act—for example, giving the Army powers of search and arrest, which are not subject to the police ombudsman and do not have to be a matter of record for the police, even though any such police powers do have to be a matter of full record.

Particularly controversial were the provisions for no-jury trials—not on the basis of the old Diplock system relating to certain scheduled offences, but on the basis of a new system whereby the Director of Public Prosecutions would issue certificates, which could not be challenged in a court, or indeed by a court. The power to change the legislation that provided for the ability to issue those certificates for no-jury trials does not transfer to the Assembly, but remains here in this House.

In this scenario, someone might face a charge and the DPP might issue a certificate for a no-jury trial. The DPP's grounds for doing so might be that the person is or was a member of an illegal organisation or is or was a friend, relative or associate of such a person, or that they or an illegal organisation might interfere with the due process of law by intimidating witnesses and so forth. Those are the grounds on which the DPP can issue the certificate, but in issuing it, he specifies no grounds and the person is effectively unable to challenge or question because these decisions are not in any way judicially reviewable.

We thus see the possibility of someone faced with such a certificate writing to a devolved Minister to say, "You are the Minister for Justice. My lawyer and I are being told that this is going to a no-jury trial and I have no means of contesting this. You are the Minister of Justice, so how can you stand over this? After all, we are told that everything in Northern Ireland has changed, moved on and gone to normalisation. What is being done about this?" The Justice Minister will say, "I am powerless to do anything about this" and the matter will go before the Assembly committee responsible for dealing with justice matters. It will say the same thing: "Yes, it is happening in our courts; yes, it is a certificate issued by an officer, namely the DPP, who is appointed under devolution and is meant to be working under the authority and auspices of devolution, but this power exists under an entirely ulterior, unaccountable and unquestionable basis". The fact that the Assembly and the Justice Minister are not even in a position to question that gives rise to further questions about the completeness of devolution.

Another example is where the Director of Public Prosecutions might be instructed by the Advocate General for Northern Ireland—namely, the Attorney-General in London, who will become the Advocate General for Northern Ireland whenever Northern Ireland gets its own Attorney-General. If trials collapse or are withdrawn on grounds of national security or on the very wide and specious grounds of the "public interest" under the direction of the Advocate General for Northern Ireland, again nobody will be able to question it and the Justice Minister will again be, at best, an idle spectator, left to plead ignorance and impotence as to why. It might be on a matter of public controversy or in a very significant case such as the Denis Donaldson case of a few years ago. When that collapsed, all sorts of parties and all sorts of people were asking all sorts of questions—why has this happened; why do we not know?

[Mark Durkan]

In how credible a position are the devolved Administration, not only the Justice Minister, going to be if they say, "We don't know; this is not devolved to us; there is nothing we can do. We cannot ask, we cannot be told and even if some of us are told, there is nothing we can say anyway"? That does not square with the vision of accountable devolution to which we all subscribed when we supported the agreement and as we have developed the institutions in the years since then. That is an important issue, which needs to be taken into account when we consider the limitations.

When we were involved in the Hillsborough talks, as well as addressing all the other issues relating to the relationship between the Minister and the Executive and making submissions, both written and oral, about various matters including the work of the Executive, we raised questions about the interface between devolved and non-devolved areas. One issue that arises in that context is relevant to the orders, to the associated documents relating to concordats and handling arrangements, and to the annexe on arrangements. A couple of agreements between the British and Irish Governments have been thrown in as well. Parts of those documents, and part of the main order with which we are dealing, impose serious restrictions related to national security on what information can be shared, how it can be shared, and where competence and control lie.

The Minister of State, who will reply to the debate, has heard me speak about these issues many times both publicly and privately, and he knows that the SDLP has had profound misgivings for many years. As a party that was totally committed to the Patten vision of policing, we were committed to the idea that the lead on intelligence policing in Northern Ireland should rest with the Police Service of Northern Ireland. That is what Patten recommended. He recognised that there would be national security issues that would have to be reported to the Secretary of State or a successor Minister, but he made clear his belief that, because of the history and experience of policing in Northern Ireland, the PSNI should take the lead.

That, of course, changed. The Government announced their intention a number of years ago, and got away with confirming the change during the St Andrews negotiations on the basis of the Blair-Adams document. The document conceded that MI5 would have a remit in Northern Ireland, that it would take the lead in intelligence policing, and that issues relating to intelligence policing would thenceforth be immune from any scrutiny following an investigation by the Police Ombudsman for Northern Ireland, which had not been the case previously. That was significant in the context of, for instance, the investigation by the ombudsman of the handling of the Omagh bombing. All those changes have made an important difference in terms of scrutiny and accountability.

A family in my constituency recently lost a son, partner, nephew and brother to members of the Real IRA, who murdered him. They left him stripped to his underwear with his hands taped behind his back, having shot him twice in the head. It was a very chilling old Provo execution-style killing. The family, of course, totally repudiate and condemn the Real IRA for what it has done and said, but they have also raised very serious questions about the experience to which the man had been subjected at the hands of MI5 agents who were active in and around Derry.

This is not some fanciful notion that I have conjured up about the possibility of concerns in the future. These are not theoretical concerns, but real concerns. That man's partner told me in her grief at the wake that she had written a letter which she had not yet posted before he died. The letter, addressed to the Minister of State, expressed her concern about what was happening to her partner—the harassment to which he was being subjected, and the offers that were made to him. Mobile phones were thrown into his car, and he was told "Ring Justin—Justin will be in touch with you soon." She has said to me, as has Mr. Doherty's uncle and father, that it was not just people who were comporting themselves as MI5 agents who were doing this; they are saying that members of the PSNI, or people appearing in PSNI uniform, also were stating to them that they knew that this was going on and were giving advice to contact "Justin" and saying that he would be in touch. This raises fundamental concerns about whether or not policing will be transacted and conducted in the light of all the Patten principles and all the Patten promises, so we still have deep reservations about this dangerous twilight zone that exists in relation to the interface between national security, the regional policing interest and the full accountability of devolution.

Many of us saw the old Peter Sellers Clouseau movies. In one of them—I cannot remember which one—Clouseau approaches a man who is sitting with a dog and asks, "Does your dog bite?" The man replies, "No, my dog doesn't bite", so Clouseau goes to pat the dog, which then nearly bites his arm off. Clouseau says, "I thought you told me that your dog did not bite", to which the man replies, "That is not my dog." I do not believe that those of us who believe in the devolution of justice and policing and who want it to be clear and complete can fall for that excuse, so where we have reservations that devolution is not clean enough or complete enough we have the right to state that here today.

The Secretary of State also talked about these arrangements inspiring confidence. The steps that we are taking reflect much wider and growing confidence, but there are limitations to the extent to which some of the arrangements, in themselves, inspire confidence. I am thinking in particular about one for which this House has legislated and which has continued to be defended in Northern Ireland by the two main parties: the curious sunset clause that exists in relation to the new Justice Department that will be created as a result of these orders and the other instruments that have been passed elsewhere. That sunset clause tells us that unless there is an agreement to continue with the arrangement currently envisaged of electing a Minister by virtue of cross-community support, rather than appointing a Minister under the d'Hondt system as per the agreement, and to renew it beyond 2012 or replace it with something else, the Justice Department will dissolve in May 2012. That is provided for in legislation passed by this House last year.

We are talking about these steps inspiring confidence, so why do we not have enough confidence to do away with that accident—the breakdown and collapse—waiting to happen which is represented by that sunset clause? If

people believe that this agreement represents—I shall use the Prime Minister's words—an

"end to decades of strife"

and guarantees stability, why do we need a sunset clause that represents an invitation to huge instability? That danger does not just lie in May 2012, when the sunset clause would apply; the difficulty could kick in earlier. The sunset clause obviously relates to the fact that the Democratic Unionist party was determined to have a veto at all times on the appointment of a Justice Minister. Sinn Fein had at one point conceded that, but when it finally woke up to the permanent veto that it had conceded, it had to claw that back. The best that Sinn Fein could do by way of clawing it back was to put in a limitation by virtue of the sunset clause.

This is now already a matter of a little difference and contention between Sinn Fein and the DUP. Even in recent weeks, as the DUP has been selling the Hillsborough agreement, the DUP has been advertising the sunset clause in 2012 and saying, "We will ensure that not only will we have a veto now to prevent someone from Sinn Fein from being appointed Justice Minister, but we will defend and insist on that veto beyond 2012." Meanwhile Sinn Fein is, of course, saying that it will reject and resist that veto in May 2012, and will not agree to any such thing continuing thereafter. The chances are that come the next Assembly election, scheduled for May 2011—although it could be before then, of course—those two parties will set out manifesto claims and calls on these matters. We might find that after that election there is a delay in electing a Justice Minister under the scheme that we have at the minute as they test each other out on those issues. So we could have a Department without a Minister in 2011 and then, of course, we could have a Minister without a Department in May 2012.

Those are not just political questions about what sort of crisis there might be in the Assembly and about whether or not we have a Minister. We should remember what it means for the Department to be dissolved. Under one of the orders, the Northern Ireland Court Service, for instance, will be abolished and will become part of the Department of Justice. It will not be a freestanding service in its own right—it will be part of the Department. Of course, the House already has legislation that states that the Department could be dissolved in 2012. Similarly, the Northern Ireland Prison Service is not a separate non-departmental public body or a separate freestanding agency. We call it the Northern Ireland Prison Service, but it is simply a part of the Northern Ireland Office, as is reflected in the orders that we are passing today. Similar facts apply to the Youth Justice Agency and the Compensation Agency. If the Department is dissolved in May 2012, as has been provided for already and as continues to be provided for in legislation, what will happen to all those functions? How are they to be exercised?

Although the Secretary of State has said today that there are no outstanding issues that are incapable of resolution, I would say that there are outstanding issues that still need further resolution. Although we have progress today, we need to go further and we need to see more.

In spite of all the reservations that I have rehearsed—there are many more that hon. Members will be glad to hear I shall not rehearse—we, nevertheless, are determined that we must go forward with the devolution of justice and policing. We cannot make perfection a precondition for progress. Too often, politics in Northern Ireland has been marred by people insisting that objectives—often very good objectives—should be turned into preconditions. That has turned out to be a self-frustrating stance. That is not the position that we have taken. In spite of our many reservations about the conduct of the Assembly and of the Executive, we are clear and unambiguous about where we need to go with the devolution of justice and policing. We want to go further.

We also want to place on record the fact that, like others, we have our criticisms of how the process has been conducted and managed—of the heavy focus on the positions of Sinn Fein and the DUP and of the complete aberration from the rules of democratic inclusion laid down in the agreement. That has provided for one party and the whole d'Hondt process to be bypassed for the appointment of the Justice Minister.

The original Stormont regime in the 1920s interfered with key provisions for proportional representation that were laid down for local government—those were abolished. Then they did away with the provisions for proportional representation in the Stormont Parliament. We have some concern that in this Stormont regime the parties in power have begun to do away with the provisions for proportional inclusion in the Executive. They have come up with a different scheme that allows them to deny parties that are entitled by mandate and to appoint parties that are not on the basis of patronage or other favour. In the old days, that was called gerrymandering. In these days, it is called an historic agreement—indeed, Sinn Fein calls it the best agreement ever. I record that fact not just out of concern for our own party's position or plight, but as a matter of principle.

I want to underline that, as regards the concerns that I have outlined about the limitations of devolution, I feel for anyone—of whatever party—who will be the Justice Minister in Northern Ireland and will find themselves coming up against some of those difficulties and challenges. They will find themselves in an invidious position. In dealing with difficulties and challenges such as those that I have outlined and in dealing with the challenges caused—as the Secretary of State has rightly emphasised—by the ongoing nefarious activity of so-called republican dissidents and others, whoever is the Minister responsible for justice and policing will certainly have the support of our party in doing the job of representing the Northern Ireland Administration and the Northern Ireland Assembly in dealing with and coping with those challenges, as we must. Whatever other quibbles or issues we have, I want to make sure that nobody will be able to turn any difficulty or difference between us and anyone else into anything that could be exploited to create any wider instability or to undermine the credibility of the institutions in Northern Ireland.

5.20 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): May I crave your indulgence for a minute, Mr. Deputy Speaker? I wish to place on record, as the hon. Member for North Shropshire (Mr. Paterson) did in relation to the report of the Saville inquiry, the fact that I, too, have received correspondence from the Secretary of State, subsequent to the written statement that he placed before the House. The arrangements that he outlined in that statement, and the reasons for making them, seem

[Mr. Alistair Carmichael]

to me entirely sensible and legitimate. He certainly has the support of the Liberal Democrats in taking these matters forward in the way that he has outlined.

The hon. Member for North Shropshire did not avail himself of the opportunity to disown the comments of the Conservative candidate for North Down, which is unfortunate given the importance of this matter. I suspect that North Down must be an interesting place to be these days.

Lady Hermon: Very.

Mr. Carmichael: We have a Conservative who supports the Unionist position rather than that of his own Front Benchers, and we have a Unionist MP who apparently supports the position of the Conservative Front Benchers. I have only ever been a member of the Liberals or the Liberal Democrats, but if I were a member of the Ulster Unionists who had enjoyed the representation of the hon. Member for North Down (Lady Hermon) and I then found Mr. Parsley taking her place, I might feel a little short-changed. The hon. Lady has been a hard-working, effective and articulate representative for her community since 2001. I do not know what her future intentions are, but I think there is broad consensus across the House in wishing her well.

The hon. Member for Foyle (Mark Durkan) made a very interesting and thoughtful speech, much of which was conjecture about the politics of how the devolution of criminal justice might evolve. In that respect, this subject could more properly be discussed by the parties in Northern Ireland rather than by Members such as I in this House. I was very interested in his remarks about the interface between devolved criminal justice and reserved national security matters. This is not unique to these islands. We have had devolved criminal justice in Scotland since 1999, but it has quite properly remained the case that matters of national security are dealt with by the Government here in Westminster and Whitehall. Some of his concerns are capable of being addressed if he bears in mind two factors. First, the independence of Law Officers is supremely important. As he has said, the Director of Public Prosecutions plays a central role in this issue. I first met the current DPP when I was a trainee solicitor in Edinburgh, more years ago than I care to remember, and he is a man of unimpeachable independence. I hope that that independence will be respected by the Governments here and in Belfast.

The importance of Law Officers being independent in these circumstances is that it is a significant protection for the rights of the individual, about which the hon. Member for Foyle expressed some concern. The accountability aspects are also legitimate concerns, but I remind him that people in Northern Ireland have a direct line of accountability through the representation provided by him, his colleagues and hon. Members of all parties. They must do the job that they are elected to do—to be here at Westminster and hold to account for their decisions by the Government here and their agencies, as far as that is possible with matters of national security.

Mark Durkan: Does the hon. Gentleman accept that proposals like this have been put to us before? My party was told at the St. Andrews negotiations that our concerns about national security could be met if we took seats on this Parliament's Intelligence and Security Committee. We were told that that would mean that we had accountability, but that of course is absolute nonsense. The idea that we would satisfy our constituents, given their experience of these issues and the suspicions that are out there, merely through belonging to something like the ISC here would not convince anyone.

Mr. Carmichael: I think that the hon. Gentleman goes too far when he says that that proposition is "absolute nonsense", but I certainly grant him that it is a less than complete solution. It is a compromise of a sort that we have all had to learn to live with over the years. When it comes to matters of national security, the normal rules of accountability do not apply; indeed, it is not reasonable for us to expect them to apply in the way that they do to other Departments dealing with health, education or any other business of Government.

There is a compromise to be struck here. No solution will ever be perfect, and the problem is especially difficult when it comes to dealing with the interface between devolved and reserved government in the absence of any overarching constitutional framework.

In many ways, this is devolution by salami slicing, but problems must be capable of resolution on a case-by-case, day-by-day basis. That can happen if those engaged in resolving problems and making the devolution settlement work approach their task in good faith.

The orders before the House are very much to be welcomed, as they cement in place the final piece of devolution—namely, the devolution of criminal justice. They reflect the wishes of the Northern Ireland Assembly, as expressed earlier this month by a cross-community vote. They represent a significant step, a step that one hopes is the last in the journey.

As the hon. Member for Foyle reminded us, however, there are a number of elements that could still go wrong. That is a matter for the parties in Northern Ireland: whether they make the structure there work or not is up to them. I have always believed in devolution—as a Liberal I have always believed in home rule, although I hesitate to say so, given the loaded nature of the words in the Northern Ireland context—and I welcome the challenge. I hope that those who are now left to pick up the baton in Belfast will approach their task from the point of view that they, too, are determined to make devolution work.

In many ways, the devolution of the criminal justice system to the Assembly in Belfast should allow better government in many other aspects of life. Before I came to this House as a Member of Parliament, I earned my living as a solicitor working in the criminal courts. One cannot underestimate the extent to which criminal justice interacts with health, education, social work and many other aspects of Government business. To try to operate them without having criminal justice under the same umbrella has never made sense to me. I think that these proposals will lead not just to comprehensive devolution but to better governance for the people of Northern Ireland.

That is the prize now available to the people of Northern Ireland—better governance, integrated government, joined-up government, to use the somewhat hackneyed expression. It is up to them whether they

take it. I believe and I hope that they have the capability to do so. We offer the orders a fair wind as they leave the House.

5.30 pm

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): I welcome the opportunity to participate in the debate. I declare an interest as a Member of the Northern Ireland Assembly, and I apologise on behalf of our party leader, my right hon. Friend the Member for Belfast, East (Mr. Robinson). He is on his way here. He had to participate in First Minister's questions in the Assembly this afternoon and was delayed, but hopes to join us before the end of the debate.

There have been many occasions during my time as a Member of Parliament when I have opposed legislation that was being introduced on Northern Ireland, because I had concerns about that legislation and its impact on the people whom I represent. I am glad to be here today to support the orders at a critical juncture in the development of Northern Ireland in what we hope and expect will be a more peaceful environment for the people who live there.

Sadly, at the weekend we had more examples of the fact that there remains within our community a tiny element who cannot accept the prospect of peace, who cannot accept that politics is a way to resolve our differences, who cannot accept the will of the people, whose desire is for peace and progress, and who continue to engage in acts of violence. We had the gun attack in Newry on police officers investigating a suspect device, and there were other incidents in various parts of Northern Ireland. We do well to remind ourselves that the task that we are engaged in is dear to the hearts of many in Northern Ireland. It is about making progress and moving away from the dark days of the past.

It saddens me that there are still some who want to drag us back to those dark days. They offer no hope to the people of Northern Ireland. They were at it again last week, with their disruption in Belfast, Londonderry and other places, trying to drive away investment at a time when Northern Ireland Ministers were in Washington winning investment, winning jobs for our young people, and offering them the hope that for decades they did not have, when they had to leave Northern Ireland in their droves to find employment and seek the opportunities that we could not provide for them. Now that we are providing them, let us hope that the young people will remain, will see that there is a future, and will not allow the men of violence to drive them away from their homes, their families and the prospect of employment and a better future.

In the end, that is what we are about. We talk about politics, policing and justice, but what matters to the people who live in Lagan Valley whom I represent, and those who live in North Antrim and North Down, is that their families have the hope of a better future, their children have the hope of a good education, they have a good quality of life, and yes, they can go about their business without having to look over their shoulder and wonder whether they will be the next victim of a bomb or a shooting. Thankfully, we have moved a long way from those times.

I say to the men of violence—to those who would seek to use the gun and the bomb once again to try and drag us back—that I believe the resolve is there among the politicians and the people not to allow them to succeed. Today is another indication that we will not allow them to succeed. Some of the difficulties that we face have been mentioned; the hon. Member for Foyle (Mark Durkan) highlighted some of them. When we look at the legacy of the past, there is still an enormous job to be done as we seek to deal with the things that have happened and address the sense of injustice felt by many in Northern Ireland.

I remind the House that we have almost 3,000 unsolved murders in Northern Ireland. That is one of the terrible aspects of the troubles that beset Northern Ireland for more than three decades. We have many who still wait for justice—and have not yet been given that justice.

The legislation before the House is important, just as the legislation before the Northern Ireland Assembly previously was important. Indeed, we welcomed the Assembly's decision a couple of weeks ago, and my party was pleased to be there and support the motion that was brought before that House. For sure, some in Northern Ireland continue to have reservations and doubts, and I understand where they are coming from. Many in Northern Ireland support with reluctance the political progress that has been made, and their reluctance is not because they do not want things to move forward, but because there are still dark memories. There is still a lot of pain and hurt, which we need to deal with, and when they look at some in government they wonder, understandably, whether they can yet fully trust the new political dispensation.

As someone who has seen the impact of the violence on families, on the people whom I represent, on my own family and on comrades with whom I had the privilege of serving in the Ulster Defence Regiment, I understand where people are coming from, yet I know that there is no alternative but to move the process forward. Difficult and challenging though it is, we must offer to this generation and to the next the hope of something better. If that means that we have to work with people with whom we have difficulties and have had differences, and if that is the price that we have to pay for the hope of peace in Northern Ireland, it is a price that I, my party and others have been willing to pay.

The process is founded on important principles, however, because we ensured that, before the Government who now exist in Northern Ireland were formed, every party to that Government would support the rule of law and the police. Sinn Fein, among others, has given that support to the police and recognised that the rule of law is the only way forward in Northern Ireland. We welcome that. Belated conversion though it may be, it is nevertheless progress and we must keep building on it. That is why we feel the time now is right to proceed with the devolution of those important powers.

Like the hon. Member for North Down (Lady Hermon), I was disappointed that the Ulster Unionist party was not able to support the devolution of policing and justice powers at this time, and in reality its stance had more to do with what it perceived to be a party political advantage, given that an election is coming, than with a principled position. Indeed, the party said that in principle it supported the devolution of those powers; it just felt that the time was not right.

The Secretary of State referred to the words of Kate Carroll, the widow of Constable Stephen Carroll, the last police officer to be murdered by dissident republicans

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in Northern Ireland. When we listened to what she had to say on the anniversary of her husband's murder, I wished that all parties had, because she said that we have to move forward and take responsibility for our own affairs. How right she is, because that is the basis for providing the stability on which Northern Ireland can become strong, its people can become strong, and trust and confidence can be firmly established.

At the time of Constable Carroll's death, and indeed at the time of the murder of the two soldiers at Massereene barracks in Antrim, the Assembly stood united against those outrages—against those atrocities. It is a matter of regret that the Assembly could not have stood united when it came to taking the decision on the transfer of policing and justice powers, but I hope that in time the Ulster Unionist party will come to support the devolution of those important powers.

Mr. Cash: But, with a general election coming, does the right hon. Gentleman believe that a substantial body of the electorate will support the views that he has expressed?

Mr. Donaldson: I thank the hon. Gentleman for his intervention. I believe—certainly, it is my experience—that a clear majority of people support the devolution of those powers and a clear majority of people in Northern Ireland want to see political progress being made. They recognise that there are difficulties, as we have heard rehearsed in the Chamber this afternoon, particularly in relation to the working of the Executive. However, I share the Secretary of State's view that now that we are getting over this perhaps most challenging of hurdles, things will settle down and we will be able to concentrate on the bread-and-butter issues that matter to the people we represent. I hope that we will have the four parties working together more cohesively within that Executive, because that is what people want to happen: they want to see devolution delivering for them on those bread-and-butter issues.

It is my expectation that there is majority support for this process. I can certainly say that those who will stand in the forthcoming election on a manifesto of dragging us back to the past and tearing down the Assembly have nothing to offer the people of Northern Ireland. They offer no alternative, and they have no viable solution to the problems that beset us. They are the nay-sayers: their approach is entirely negative. What hope do they offer to the young people of Northern Ireland today? I hope that people will not listen to that negativity but will recognise that whatever the difficulties we face, the way forward is through supporting the devolution of these powers and supporting the Assembly and the political stability that it can bring to Northern Ireland. We welcome the range of powers that are being devolved to the Assembly, while recognising that some powers will be reserved to this Parliament.

As regards the comments by the hon. Member for Foyle (Mark Durkan) about the appointment of a Minister of Justice, we are very clear that this is about public confidence, and in our view there would not be public confidence in the appointment of a Sinn Fein Minister of Justice in Northern Ireland. We have to reflect that reality, and that is why we have introduced the arrangements that we have to ensure that whoever is appointed Minister of Justice has cross-community support in the Assembly.

We want to move Northern Ireland towards a more normal form of Government. At a British-Irish Association conference that I attended last year, the hon. Member for Foyle talked about removing the ugly scaffolding of the Belfast agreement. I think that that is important. We will certainly go all the way with him on that objective, because we believe that normalising the politics of Northern Ireland is an integral part of the peace process. In future, we want to move towards what we hope will be a more voluntary form of coalition where parties come together to negotiate a programme for Government on a voluntary basis, and then establish that Government, together with an effective Opposition, because that is how democracy operates and should operate.

That is the way forward as we see it, and we want to move towards that more normalised situation. The cross-community vote mechanism is part of normalising our politics and part of moving towards that kind of system.

Dr. Alasdair McDonnell (Belfast, South) (SDLP): The right hon. Gentleman said that there would not be public confidence in a Sinn Fein Minister of Justice. Is he implying, along the same lines, that there would not be public confidence in a Social Democratic and Labour party Minister of Justice?

Mr. Donaldson: I am not implying that there would not be public confidence, but it is a matter for the SDLP to put its candidate forward to see whether it can get sufficient support within the Assembly to become Minister of Justice. We will look at the candidates who come before us, and the party will vote accordingly in the Assembly when the time comes.

The Secretary of State mentioned parading. I had the privilege of co-chairing the working group that was established to consider parades in the aftermath of the Hillsborough agreement. We were set a very tight deadline by the First Minister, who has now joined us in the Chamber, yet we were able to get to a point where we agreed a report that is now being worked on by the parliamentary draftsmen. We hope to have the draft Bill ready for consultation by the end of this month. As my right hon. Friend the Member for Belfast, East said earlier today, it will probably be the most consulted on piece of legislation that the Assembly will have brought forward in its existence. That is good, because parading is an important issue and we want the legislation to be put in place so that there are new mechanisms and a new system for dealing with parades that will create a level playing field and be based on people's rights, not on prejudice, as has been the case in the past. We want a shared future in Northern Ireland.

Mark Durkan: On the right hon. Gentleman's point about the report that has emerged from the working group on parades, was it not the case that the Hillsborough agreement promised us that there would be consultation on that report, and then legislation would be prepared? In fact, the report is going straight into legislation and only then will there be consultation.

Mr. Donaldson: I am very clear about what the Hillsborough agreement said, and it most certainly did not say that there would be consultation after the report

was prepared. What it did say was that there would be consultation during the preparation of the report, which was what we undertook to do and carried out. Indeed, we met representatives of the hon. Gentleman's party on at least one occasion and received written representations from them on a number of occasions, which were taken into account in finalising our report. We made it clear in the timetable, as Hillsborough set out distinctly, that as soon as the report was agreed, it would be presented to the First Minister and Deputy First Minister, and that the task of drafting legislation would get under way. That task is now moving towards completion. The Bill will be published and there will be a full consultation period before it is enacted by the Assembly.

We welcome the proposed changes to parading and believe that they will provide a basis for dealing with the issue that is fairer and based on respect for the rights of those who want to engage in a parade or public assembly.

Mr. Peter Robinson (Belfast, East) (DUP): Is it not the case that the work of the working group that was set up to deal with parades has not been completed, because the draftsmen are raising a series of detailed and technical issues that need to be determined before the final document is available for consultation? It would be wrong to consult on an uncompleted document.

Mr. Donaldson: I thank my right hon. Friend for that comment, and he is right. The working group's representatives are meeting the draftsmen several times each week in various formats to deal with those technical issues, which is why we are not yet in a position to publish the final work. We anticipate that that will happen at the end of this month.

Reference has been made to the retention by Parliament of the power to provide for what is called 50:50 recruitment to the PSNI. As the Secretary of State will know, my party has consistently opposed that measure, because we believe that state discrimination is wrong in any circumstance. Although we share the Government's objective to increase the level of representation within the PSNI of the Roman Catholic side of the community, we believe that the provision is a very blunt instrument. It leaves a lot of young people who would otherwise qualify to become police officers, and who pass all the tests and enter the merit pool, unable to do so simply because of the church they attend on a Sunday. We certainly cannot agree to that.

Lady Hermon: I should like to put it on record that, although earlier in the debate I expressed support for the Conservative position on the devolution of policing and justice, I was hideously disappointed that the Conservative party voted in support of 50:50 recruitment. The Ulster Unionist party differs once again from the Conservative party and we are firmly opposed to 50:50 recruitment.

Mr. Donaldson: I thank the hon. Lady for her intervention, which raises a curious question. If members of the UUP had been elected to this House and taken the Conservative Whip, would they have voted in favour of extending a power that they say they have consistently opposed in principle throughout its enactment? It will be interesting to see how that works out in future. I wish to put it on the record that although the power is reserved to Parliament, we will continue to oppose its exercise in principle.

The hon. Lady mentioned the potential conflict between the Northern Ireland Policing Board and the scrutiny committee that the Assembly will establish. I understand her concern, which others outside the House have echoed. However, the scrutiny committee will have a much broader remit than the Policing Board in that it will cover all aspects of the Justice Department, not only policing. Its role is different from that of the board in that it will, among other things, play a part in scrutinising proposed legislation from the Justice Department. Its scope in respect of the Chief Constable's operational responsibility will probably be limited. Although it will take time for those things to be worked out, there may be a basis for establishing some sort of protocol between the board, the committee and the Assembly about the way in which they pursue their respective functions.

Mark Durkan: I thank the right hon. Gentleman for giving way again—he has been generous. Does he recognise that the concerns relate not only to the position of the Policing Board but to the role of the Chief Constable? There was concern that some previous drafts of the protocols spoke of the Chief Constable becoming the chief adviser to the Minister on policing and security matters, and that that would qualify or regulate the Chief Constable's clear independent role and its integrity, making the Chief Constable somehow subsidiary to a Minister. The Patten dispensation certainly did not envisage that.

Mr. Donaldson: We are clear that the Chief Constable's operational independence will not be open to interference by the Minister. The lines on that are clear and have been firmly established. Of course, the Chief Constable will be there to advise the Minister about matters that fall within the Minister's remit, but that does not give the Minister the right to interfere in operational matters.

We support the orders. We believe that accepting them is the right move to make at an important time in the development of Northern Ireland politics.

A few weeks ago, I attended a memorial in Newry, which is now a city. It experienced some horrible things; terrible atrocities were committed there during the troubles. For example, we remember the three police officers who were murdered by an IRA gang while they conducted community duties in the town centre. Ironically, the IRA gang wore butchers' uniforms as they carried out those assassinations—the execution of the three officers. We have just passed the 25th anniversary of the mortar attack on Newry police station, when nine Royal Ulster Constabulary officers lost their lives—the highest loss of life sustained by the RUC in one incident during the troubles. One of those officers was Chief Inspector Alexander Donaldson, my cousin, who had lost his brother, Constable Samuel Donaldson, who was murdered by the IRA in Crossmaglen in August 1970—the first RUC officer to be murdered by the Provisional IRA.

I therefore recognise the difficulties and challenges that such decisions present to people in Northern Ireland. However, as I stood in that service in Newry and listened to the long list of names of those brave men and women who had given their lives in defence of our community so that we might have the hope of peace

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some day in Northern Ireland, I was reminded of why we do what we do. I was reminded that the task that has been given to us as political leaders and politicians is to help to secure that better future and build on the work of those brave men and women who held the line when politics was not working and there was no agreement on how we would settle our differences. Thankfully, we now have a broad measure of agreement and it is our duty and responsibility to ensure that what we have done succeeds, that the progress we have made is built on, and that those who sacrificed their lives did not do so in vain.

That does not make right the terrible wrongs that terrorist organisations did in Northern Ireland over the years. It does not justify the terrible actions that they carried out against members of the security forces and civilians and the countless lives that were lost during that period. That is to be condemned; such actions and the terrorists' motivation is not the way to settle our differences. This is the way to do it: by creating political stability and a Government who enable local people to take responsibility for their own affairs, firmly in the context of the United Kingdom. This Parliament will always be sovereign, but I believe that, in giving away some of its power again to the Assembly, this elected Chamber recognises the progress that has been made and that, after many difficult, dark years in Northern Ireland, people are stepping forward who are prepared to take tough decisions and give leadership—no one more so than my right hon. Friend the Member for Belfast, East, who, as First Minister, has shown that leadership. We do these things in the hope of a better future.

5.55 pm

Sir Patrick Cormack (South Staffordshire) (Con): The right hon. Member for Lagan Valley (Mr. Donaldson) made a powerful, statesmanlike speech and I very much agree with what he said.

In what will probably be my last speech on Northern Ireland in the House, I am delighted that the First Minister and his predecessor are here. The House, Northern Ireland and the United Kingdom owe a great deal to their leadership. Without the remarkable work of the right hon. Member for North Antrim (Rev. Ian Paisley), we would not be here today. Without the courageous persistence, at a time of great personal difficulty, of the current First Minister, we would not be debating the orders this afternoon. We owe them both a great deal for what they have done and the leadership they have given, just as we owe much to many others in all political parties in Northern Ireland.

I share the disappointment that the Ulster Unionists did not feel able at the very least to abstain on 9 March. It was a great pity that they ignored the advice of my hon. Friend the shadow Secretary of State and that of the Leader of the Opposition, and that they persisted in voting against. That was a short-sighted and mistaken decision, and I hope that, even now, they are realising that the only future for Northern Ireland is for them to accept, as true democrats, the will of the overwhelming majority in the Assembly and give every possible support to implementing practical devolution of justice and policing after 12 April. I know that their one representative here, the hon. and courageous Member for North Down (Lady Hermon), will hold to that view, and I hope that they will come to follow her example.

It is also a pleasure to be here with the Secretary of State and his admirable, estimable colleague, the Minister of State. I pay tribute to their actions in building on their predecessors' work and ensuring that we have the debate this afternoon. Many people have contributed a great deal, including successive Prime Ministers. We must not forget the work of Tony Blair—I think that events in Northern Ireland will be reckoned his greatest achievement as Prime Minister—that of the current Prime Minister, and also that of John Major. The accord that John Major formed with Albert Reynolds, and the way in which the chemistry between them worked, was fundamental to what has been built afterwards. I am confident that, in a spirit of true party accord, we will pass, without Division, the orders that we are considering.

When the Select Committee was in Northern Ireland in January, we took evidence from the Chief Constable, the Probation Board for Northern Ireland, the Policing Board, the director of prisons and many others on devolution. At that point, things hung in the balance. Indeed, our meetings coincided with the first two days of the Hillsborough talks, and we did not quite know what was going to happen. We all hoped that the talks would result in success, but we did not know. On that first evening, when I talked to the Secretary of State, the Minister and the Prime Minister, there were real obstacles to overcome, but they were overcome.

In taking evidence from the people whom I cited, we found that the people on the ground were ready for change. Every one of them said, "Yes, we are ready." Some went further and said, "We were ready two years ago and we are sorry it has taken so long," but they were ready and they relished the challenge. I believe that Northern Ireland is exceptionally well served by some truly remarkable people who head its various public services. It is sometimes easy to forget that Northern Ireland has a small population. I do not think that any other part of the UK with such a small population—Northern Ireland's is about the same as that of Greater Birmingham—has such talent to draw upon for its judiciary, Prison Service, probation service and Chief Constables.

A succession of Chief Constables have been true leaders, none more so than the late husband of the hon. Member for North Down. I believe that the present Chief Constable, with his great experience of community policing, which is terribly important, will make his mark—as did Sir Hugh Orde—as a fine Chief Constable. It is very important indeed—the hon. Member for Foyle (Mark Durkan) made this plain in his remarks—that the Chief Constable has true and complete operational independence. There must never be any doubt about that, and I do not think that there will be, because it seems to me that the First Minister, the Deputy First Minister and everyone else accept how important that is.

The hon. Gentleman spoke about 2012. I can understand why he feels apprehensive that everything might go into the melting pot again in 2012, which will be just a year or so after the probable date of the next Assembly elections. It behoves all of us—in Northern Ireland and the rest of the UK—to try to ensure that there is no real problem or crisis at that point. Of course, if the devolution

of policing and justice works as well as I believe it can, and as well as I hope and think it will, confidence will be built up over the next two years, and there should be no great hiatus, as we all hope. The hon. Gentleman made a valid point when he talked about not expecting perfection as a precondition of anything. What has struck me over the last two or three years in particular has been the way in which there has been a truly sensible and pragmatic approach from those who have led the political parties in Northern Ireland. They have recognised, as all human beings should, that perfection is a fairly elusive quality.

I often think of the first Secretary of State for Northern Ireland, whom I knew well, who was the Leader of the House when I was first elected in 1970—the late, great Willie Whitelaw. He is remembered for many things, including his saying that he was not going to go around stirring up apathy. He also made that immortal remark, which I frequently quote, that things are never as good or as bad as they seem. We all need to recognise that and what was implicit in the closing remarks of the right hon. Member for Lagan Valley, who reminded us of the dark and terrible days of the troubles. He reminded us of the bereavements in his family—other Northern Ireland Members could echo those stories from their family histories—but he also said that we must now go on. One of the most difficult things, after such a time of trouble, when so many have lost their lives, is that drawing of a line. Some who came before the Committee during its investigations were able to say, "Yes, I could see my wife's name on the same memorial as the man responsible for her death". That was an extraordinary and deeply moving remark to make. However, others said, "No, I can never rest until I have complete satisfaction and justice."

"Justice" can be a very hard word. I often remember a story told to me by a friend of mine who was a great artist, John Ward, whom some Members of the House might remember—he died at the age of 90 two or three years ago. A captain of industry commissioned John to do a portrait of his wife. They discussed where the portrait would be painted and how she would pose. As John left, the captain of industry turned to him and said, "And you must do her justice." John turned round and said, "It's not justice she needs; it's mercy." We must remember the moral of that story in respect of Northern Ireland. To forget is impossible, and to forgive—however strong one's Christian beliefs—is terribly difficult. However, if one does have Christian beliefs, as most Northern Ireland political leaders do, one believes in the power of forgiveness and redemption, which is so necessary if we are to move forward to the normality that every Northern Ireland Member of this House wants, and which one is conscious that people want whenever one goes to Northern Ireland.

I shall end with some remarks about this place, if I may. When one looks at the progress that has been made over the last two years in particular and at that remarkable achievement of 2007, when the right hon. Member for North Antrim gave that extraordinary and exemplary leadership, one realises that the influence of this House has quite clearly and properly been marginalised—that is a necessary and proper consequence of devolution. The role of the Committee that I have had the honour to chair for almost the last five years has also clearly been marginalised to a degree, as its remit has shrunk. If, as I devoutly hope and pray, we move to this final stage of devolution on 12 April, some may ask, "Is there a point and purpose in having a Select Committee on Northern Ireland Affairs?" My answer to that would be yes, because if ever a constituent Assembly within the United Kingdom needed firm, foul-weather friends, it is going to be in the years ahead. We need within this Parliament those who passionately care about Northern Ireland even if they do not come from Northern Ireland. I know how my Committee's work has been welcomed in Northern Ireland, as it was last week, when we published a significant report. I know that people in that most beautiful, fascinating, and historical part of our country look to this House, whatever their ultimate views might be about the constitutional position of Northern Ireland. Whether they look at it from a Unionist or a nationalist point of view, they recognise the responsibility vested here. I hope that although the Committee's remit will be significantly reduced, Members will be willing to serve on it in the next Parliament to provide those firm, foul-weather friends whom I mentioned.

It has been a great honour to be involved with the history of Northern Ireland during one of the most exciting and challenging times in its recent history. I hope that we have been able to make a minor contribution to the progress that has been made. It is highly appropriate that the last significant debate on Northern Ireland in this Parliament should be on these orders. I hope and believe that we will pass them without Division, but with inward acclamation, wishing them total success.

6.11 pm

Rev. Ian Paisley (North Antrim) (DUP): This will be my last contribution to debates in this Chamber. My friend the hon. Member for South Staffordshire (Sir Patrick Cormack) has just spoken about making his last speech on Northern Ireland, but I wish to remind myself that the reason that these Benches are not packed to capacity today is that things are moving in the right direction. If they were going in the wrong direction, many of these vacant places would be filled.

I made my maiden speech in this House sitting as near the door as I could, because I thought that I might be kicked out. I made some terrible mistakes, according to many people. For example, I spoke for too long and I was called to account by the Speaker for making attacks on certain elements in the IRA. But I learned as I went on so that I could come here and carry the flag that I believed I had to carry. I was grateful that people started to think that we must have an end to this matter and that we could not go on with part of the United Kingdom torn by such violence.

South Down has been mentioned, and I spent all my holidays as a boy in that area. But then the IRA burned down my father's house and I no longer had the privilege of spending my holidays there. I have been back many times since, however, and at the first meeting I attended there I mentioned that incident. I said to the people, "I'm sorry you burned down my home, otherwise you'd have seen more of me." A little old lady at the back shouted out, "It's a terrible shame." I thanked her and agreed with her.

The day has come when Northern Ireland must boldly face the simple facts. There are people in Northern Ireland who have diverse religious and political convictions, but they can live together as neighbours. When I was a

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boy, there was more neighbourliness than we have seen for many years. Something entered the hearts of the people that destroyed the reverence for neighbourliness and kindliness. The Ulster people are not a hard people: they are a loving and caring people. I am glad that there is no disturbance in the House today. We are meeting here in calm and peace, because that calm and peace is slowly but surely being established in Northern Ireland. We are making progress in the right direction.

Of course, there will be times when both sides of the political spectrum might feel that they are being pushed, but they need to keep their hands in their pockets and remember that it is our hearts that should drive us in trying to win the best outcome for our people. I am confident that, with the good friendship in this House towards Northern Ireland, we will come to a day—although I may not live to see it—when these troubles will be forgotten. We will not forget, of course, the price that was paid or the loyalty of those who stood against assassins, but we will forget the awfulness of the days that we have come through. As we move forward, we shall see prosperity in our land. A working people live at peace. When there is no work, Satan finds plenty for idle hands to do. I want to see more and more employment coming to Northern Ireland. I want to see the young people having every chance educationally to prepare themselves for the future. I want to see a real dedication from all our people, no matter what their politics or religion, as hard-working people and parents to make their family life a thing of blessing and sunshine, not a thing of tears and regret. I hope that that is what will happen.

On the matters of policing and marching, we need level heads. We need a calm appreciation of the facts and we need to do our best to ensure that our contribution will be one that will assist the people of Northern Ireland in making progress. I would like to see in Northern Ireland the same situation as in other parts of the United Kingdom, so that when there is a march those who are legally entitled to walk—and who do not want to cause trouble but only to declare their principles—will be able to walk in peace. I refer to both sides when I say that.

I mentioned the holidays I spent in South Down. I played with the boys in Killowen, who were strong republicans and strong Roman Catholics, and I was just as strong a Unionist and a Protestant. However, they came with me to the 12 July demonstration, and I went with them to the Warrenpoint Hibernian demonstration. In fact, the Hibernian people got into trouble just before their demonstration. On the night before, one of their drums gave way. They had no drum, so they came down to the Orange hall and got an Orange drum on loan. They also got a sheet, which they covered up and on which they roughly painted their Hibernian slogan. However, as they were going through Warrenpoint the next day, the sheet came off, and all that could be seen was "To the immortal memory of King William III" and "No surrender!" Everybody laughed; nobody got up and said, "This can't be." There was a general mood of good will.

That good will is going to be hard to build, because there are people with very deep wounds—I think of my right hon. Friend the Member for Lagan Valley (Mr. Donaldson) sitting here, whose family I have known for years. I know what they suffered, and many others have suffered, and it is the same on the other side, but this I can say to the House. Northern Ireland is moving in the right direction, and this House needs to see that it encourages it to go forward at this time. We welcome the help of the Select Committee on Northern Ireland, chaired by the hon. Member for South Staffordshire. We also welcome the good work of the various Secretaries of State. Some of them we disagreed with and some of them we would have liked to punch at times, but we neither punched them nor disagreed with them in a muscular fashion, and today we are here in the quiet of this House.

I do not think that there will be a Division in the House tonight; I think that we will all feel that we are moving the right way. That does not mean that we have reached the end of the journey—far from it—but we are moving the right way. For those from this House who continue to take up their duties in Northern Ireland, I trust that these will become happier and happier as the days go by. Thank you very much.

6.22 pm

Mr. William Cash (Stone) (Con): It is a great privilege to follow the right hon. Member for North Antrim (Rev. Ian Paisley) on what is an historic occasion. The tributes that have been paid, with the appropriate degree of caution about the future, bring to mind the history not only of the troubles, but of the role that the UK Parliament has played in such matters, going back to the earliest times of our Parliament.

The degree of co-operation and good will that we have heard today is truly important, whichever side of the political or religious divide one has come from. However, those looking back through the annals of our history will want to consider the role played by this House and the battles conducted here. They include those involving Daniel O'Connell and John Bright, as well as the episodes during the 1880s involving Parnell, followed by the obstructionism and the violence that took place in this very Chamber. That led not merely to the suspension of Standing Orders, but to their being taken away from the Speaker and handed over to the Executive, an issue that we are yet to resolve. In addition, we then had the later period, with Carson, the Black and Tans, and the problems from 1918 through to the 1920s, and then again in more recent times, with the tremendous tensions that were built up.

I follow the right hon. Member for North Antrim in his awareness of what has changed in this House, given the relative calm of this Chamber—in fact, the complete calm—compared with the ructions that were once stimulated by the great passions that reigned over the questions of Northern Ireland and home rule. They included the break-up leading to the creation of Liberal Unionism by Joe Chamberlain and John Bright on the question of home rule, which sometimes gets forgotten. I mentioned home rule in an intervention on the hon. Member for Foyle (Mark Durkan), but these are momentous historic questions and huge constitutional issues. As the right hon. Member for North Antrim has said, we are here in this Chamber discussing the devolution of policing and justice, with the reservations that have been made and the acknowledgement that there is a

sunset clause, although I believe that my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack) modestly underestimated the role played by the Select Committee on Northern Ireland and the degree to which those policies were developed under the aegis of the UK Parliament.

All I say by way of conclusion is that the Chamber may be relatively empty, but despite the ghosts of those who have taken part in these momentous occasions, with all the passions and the tumult in this House on the issues of Northern Ireland and Ireland as a whole, we have now moved so far that the right hon. Member for North Antrim was able to touch on his origins in this House and the passions that he induced, which he explained so clearly in his speech today. The transformation of the politics of Northern Ireland is not yet complete, but the bottom line is this: great progress has been made, and the one thing that one can say is that the beneficiaries are the people of Northern Ireland and our democratic system.

6.27 pm

Mr. Peter Robinson (Belfast, East) (DUP): Let me first pay tribute to my two colleagues who are leaving the House at the end of this Parliament. The Chairman of the Select Committee, the hon. Member for South Staffordshire (Sir Patrick Cormack), has always been a friend of Northern Ireland. He has always assisted Northern Ireland, not only as Chairman of the Committee, but as a Member of Parliament. We were concerned about him at one stage—he took a bit of time before he managed to reach the House after the last election—but he got here none the less, and he managed to change the legislation to ensure that nobody else would fall into the same difficulties. He has been a good friend, and we very much thank him for his role.

My long-time friend and colleague, the right hon. Member for North Antrim (Rev. Ian Paisley) has had a colourful career. We have described him as a colossus in Unionist politics. His name will be remembered in the history of Northern Ireland as one of the most influential figures in Unionism. His leadership in the most difficult times that we have gone through has been a major factor in bringing Northern Ireland through to the peaceful and stable society that we are now enjoying. On behalf not only of my party, but of the Unionist community as a whole, I rejoice in the fact that Ian Paisley was there, that he was able to say no when the question demanded that answer, and that he was there to say yes when the opportunity was there to make progress.

I apologise for my late arrival in the House, although I think that I have broken my record of speaking in the Northern Ireland Assembly at 3 o'clock and managing to speak here just after 6 o'clock. I flew over with one of our friends from the other place, Lord Kilclooney. He likes to ensure that my feet are firmly on the ground, and he handed me a copy of the *Lurgan Mail*, so that I could see what was happening at the grass roots, as I think he put it. I enjoyed reading about various events around Lurgan, but I was a bit shocked to see a statement from the Ulster Unionist Assembly Member Sam Gardiner, who gave his reasons for opposing the devolution of policing and justice. They can be paraphrased in one sentence: Sinn Fein wants it, so Unionists should be against it.

Such zero-sum politics—sectarian politics—drag Northern Ireland down and back. We must recognise that it is possible to find a way forward in Northern Ireland that is a win-win solution, and that it is possible to have agreements on how we move forward in Northern Ireland that attracts the support of both Nationalist and Unionists. The devolution of policing and justice is such an issue. For 100 years, Unionists' policy has been to have devolved powers over policing and justice.

I am not sure about the thinking of Sam Gardiner, who says that we should dispose of the epitome of the Unionist requirement for devolution simply because someone else happens to want it. Carson and Craig would not have accepted devolution in Northern Ireland without powers over policing and justice. Brian Faulkner, a later Unionist leader, was prepared to do away with devolution because power over policing and justice was removed—recognition that properly joined-up Government needs the ability to enforce powers exercised in other areas.

The devolution of policing and justice is not only Unionist policy; it is Democratic Unionist party policy. In our last manifesto in 2007, we expressly told the people of Northern Ireland that we support the devolution of policing and justice. We gave them a commitment to work towards that devolution. However, we had two caveats. First, we required community support for whatever structures were proposed. Secondly, we made it clear that we did not believe that there would be support for the devolution of policing and justice, if there were a Sinn Fein Minister.

I believe that we have met those two conditions. I am not relying simply on opinion polls, although when they are going in the right direction, we all like looking at them. The two most recent opinion polls on this subject show that people overwhelmingly want the devolution of policing and justice. We went around the country, and I addressed public and party meetings throughout Northern Ireland. Not once, at any of those meetings, did anyone say, "Stop. Don't go ahead with this. It is a bad idea." We placed adverts in newspapers, and people had the opportunity to respond. I received one e-mail opposing the devolution of policing and justice, and when I responded to it, I quickly discovered that it came from a supporter of another Unionist political party, who would not agree to anything in any circumstances under our dissident Unionists.

There is support in the community for the devolution of policing and justice. More than that, there is support for that devolution from all the Assembly parties, and all, save one, voted in favour of it during the debate. One party, the Ulster Unionist party, did not. However, it made it clear that in principle it supports the devolution of policing and justice. In addition, in 2003, it reached agreement at Hillsborough with Sinn Fein and others to have policing and justice powers devolved to the Northern Ireland Assembly by the mid-point of the following Assembly, which would have been September or October 2005. It reached that agreement when the IRA was still killing people on the streets, and continuing its gangsterism, and when the IRA and Sinn Fein were still attacking the police, would not recognise the courts and did not accept the rule of law. In all those circumstances, the Ulster Unionist party said in 2003 that there should be devolution of policing and justice. Indeed, one of its Assembly Members, who is happy to go in front of the cameras nowadays, Mr. David McNarry, said that that

[Mr. Peter Robinson]

had to happen, and that there had to be a Sinn Fein Minister. In much worse circumstances and with a much worse deal, the Ulster Unionists were prepared to have devolution of policing and justice, but they have now decided that it would not be opportune now.

I believe that the views expressed by the hon. Member for North Down (Lady Hermon) accurately reflect the views of the Ulster Unionist party, and certainly the views of its support base. Opinion polling by my office and by the Secretary of State shows that more than three quarters of its supporters wanted the devolution of policing and justice. I do not believe that during the subsequent period there has been a significant or appreciable level of concern about the devolution of those powers. Not only are they devolved in circumstances that command community support, but we have—I suppose that this is one of the factors that created that support—a significant financial package to assist us in moving forward. Without that package, we might have to dispose of the services of up to 1,200 police officers. It is a first-class financial deal that supports the overall devolution of policing and justice.

One of the differences since the days of Carson and Craig is that we have a different system of Government, which required more detailed negotiations that continued for a considerable period. We had to devise systems to ensure that we could safely and securely ensure the independence of the Chief Constable in the operation of the Police Service of Northern Ireland, and the independence of the judiciary, which is just as important.

I heard the intervention from the hon. Member for Foyle (Mark Durkan). We must be clear that the Chief Constable's role as the Minister's chief adviser relates to the Minister's policy role, and that the Minister has no operational role in the functioning of the PSNI. The Chief Constable has complete independence without political interference in how the PSNI operates. I am sure that the hon. Gentleman will defend the Chief Constable's independence as strongly as other hon. Members on these Benches.

The important factor in the devolution of policing and justice is that it completes the whole devolution package for Northern Ireland. People can now see the jigsaw completed, and the overall context of devolution. That brings me to the reason given by the Ulster Unionist party for not devolving policing and justice. The argument was that to some extent the Executive were not functioning properly, so there was no confidence in devolving powers to it. The reality is that parties that see themselves as opposition parties—we have the strange factor in Northern Ireland that Government parties see themselves as Ministers in opposition, because the smaller parties in the Executive take that role—may say that the Executive are dysfunctional and could do better. I firmly believe that they could do better and reach more decisions, but they have reached significantly more decisions than the previous Executive led by the Ulster Unionist party. By the end of the Assembly's final year, we will have taken twice as many decisions, and reached twice as many agreements as its predecessor. Indeed, it has to be said that the Assembly has taken much more difficult decisions than its predecessors did.

It is also worth noting that one of the difficulties preventing the Executive from moving forward was the fact that the devolution process had not been completed. It has been interesting that, in the past two Executive meetings, there have been more decisions flushing through the system than at any time previously, now that the logjam has been taken out of the way. Yes, of course we can do better, but we are doing better than our predecessors, and we are doing better month by month.

People in Northern Ireland do not want to go back to the bad old days of the past. They want to move forward and to see progress being made. They are content that we have a devolution system that has securities, vetoes and controls built into it, to ensure that no section of our community can be discriminated against. I therefore believe that we have taken a major step in moving Northern Ireland forward, to ensure that we continue to make progress and build on the peace and stability that we have, and, as we move out of recession, build prosperity for our people.

Lady Hermon: I am grateful to the right hon. Member for Belfast, East (Mr. Robinson), the First Minister, for giving way. I want to put it on record that this Ulster Unionist representative in this House—for whatever time is left to me to speak for the party here—commends the Democratic Unionist party for what was a very courageous decision. Its decision on the devolution of policing and justice was absolutely right, and it cannot have been easy. I commend the party warmly on reaching the right decision. The people of Northern Ireland want to go forward, and that includes the Unionist people. All the Unionist people of Northern Ireland want to go forward with those of different political persuasions. Our common enemy—the dissident republicans, Orange volunteers and the like—would wreak havoc if they could, but they will not, because we will stand together in opposition to all paramilitary activity in Northern Ireland.

Mr. Robinson: I am very grateful to the hon. Lady for those comments. I believe that she has accurately reflected the position of the Unionist community. I know that she very much regrets that the Ulster Unionist party, through its leadership, has placed itself along with the dissident republicans and Unionists.

I also recognise that the hon. Member for Foyle and other members of his party are not completely content with every aspect of the arrangements for policing and justice; they have said so. If either Sinn Fein or the DUP had been left to write the agreement themselves, it would have been a very different document. That is the nature of doing deals and reaching agreements. They are compromises by their very nature, and we need to seek consensus in order to move forward. The hon. Member for Foyle could very well have said, "We didn't have our thumbprint on this document, so we are going to vote against it or abstain." He did not do so, however. Although it was not as they would have wished, he and his party supported it in principle and voted in favour of it. I believe that that is the position that the Ulster Unionist party should have adopted, and I very much regret that it did not do so. I am glad that the Conservative Opposition in this House made their position clear, but I regret that they were not in a better position to persuade their colleagues in Northern Ireland to follow the route that they were taking.

I strongly believe that the people of Northern Ireland support the devolution of these powers, and that they want us to get on with the work of dealing with jobs,

education and health. Those are the matters that come to me when I meet people on the streets. Seldom has anyone come up to me and said, "We need to get policing and justice sorted out," or "We need to get parading sorted out." People want the Assembly and the Executive to get on with the day-to-day, bread and butter issues, and that must be our priority over the weeks, months and years ahead.

I should like to say a final word on the issue of the sunset clause. I started off by regarding the sunset clause as a necessary evil. Both parties recognised it as a temporary expedient, but we were unable to reach a permanent agreement on it. I have moved my position, however; I now think that the clause will assist us all. Over the next year or two, it will allow us to use our experience of having the devolved functions to determine whether any changes would be beneficial or necessary. We should not, however, wait until the period of time has passed before we sit down and try to resolve any such matters. As soon as the new Assembly is elected in 2011, it must straight away get down to working out its processes for continuing the role of policing and justice. We should not be nervous about the fact that our experience over those years will enable us to determine whether the same system should be continued, whether it should be tweaked, or whether more significant changes should be made. I am not afraid of looking at that issue in 2011-12, and I believe that the sunset clause will benefit the Assembly.

I think that, before I arrived in the Chamber, the hon. Member for Foyle spoke of not making the perfect the enemy of the good. That is exactly where we stand today. Regrettably, some people believe that we should wait until we have all our ducks in a row and everything is perfect before we move forward. We should never make progress in Northern Ireland if we did that, however, because nothing is ever perfect in politics.

Mark Durkan: The problem with the sunset clause is not simply that it requires political agreement, or that it imposes an obligation on the parties to sort out their positions. The nature of the clause is that, in the absence of an agreement, the Department will be dissolved. It is the implications of that happening that we need to consider, because that is what the House has legislated for. If we have such confidence in the future, why do we need a sunset clause that would require the Department to be dissolved? Do the parties really need that in order to concentrate their minds in the positive way that the right hon. Gentleman has been suggesting?

Mr. Robinson: Every journey is taken a step at a time. It is a fact that no agreement could be reached on a final and completed version of these arrangements. We have therefore taken the first step, and we have done so with confidence and faith that we will be able to resolve these issues. I happen to believe that the arrangements that we have will probably be sufficient in 2012, but the determination that has been shown over the past few years to resolve our difficulties will be sufficient to overcome any problem that we might face at that time.

Mr. Donaldson: I was present in April 1998 during the final days that led up to what became known as the Belfast agreement, and I know that the hon. Member for Foyle and others were involved in reaching compromises at the last minute. Those compromises were not the finished product; they were work in progress, and they established arrangements to take forward pieces of work that were not in the final agreement. The hon. Gentleman should therefore be no stranger to the idea that, in a peace process, we do not necessarily reach the final destination at every point. We can, however, establish a firm foothold, in order to go on and build other things in the future.

Mr. Robinson: I agree entirely. We have set our direction of travel, and I believe that it is the right one.

Mark Durkan: I should like to refer to what the right hon. Member for Lagan Valley (Mr. Donaldson) has just said. Yes, of course there were compromises in the Good Friday agreement, as there have been on other occasions. However, none of the compromises that we were party to involved contemplating, or legislating for, the dissolution and collapse of any arrangements. We did not sell confidence on the basis that we had a device for allowing the arrangements to collapse and disappear before our eyes if we did not like what happened around the corner. Will the right hon. Member for Belfast, East tell us whether, in the 2011 Assembly election, his party will claim to have a mandate to hold out for a continued veto on Sinn Fein occupying the role of Minister of Justice? Or will the right hon. Gentleman say, "We are relaxed and agnostic about who should be the Minister of Justice, and we will therefore be able to reach agreement with Sinn Fein"? Because that is what he is telling us.

Mr. Robinson: The hon. Gentleman indicates that the collapse of the Northern Ireland Assembly during the period of the Good Friday agreement was not legislated for, but it did collapse—it collapsed four times, even though that was not legislated for. That is hardly a good example to draw to our attention, as they were capable of collapsing the Assembly without legislation. The one thing that can be said about the present Administration is that even though there have been difficult times, the Assembly has not once collapsed. We have continued to operate, to take our decisions, to move forward and to reach agreements. I do not doubt that there will be challenges for us ahead, but I also do not doubt that we are capable of overcoming them.

I strongly support the measures before the House. I want to thank the Secretary of State and his team for their assistance during the talks process, and indeed to thank the Prime Minister for the time that he spent in Northern Ireland. I know that there might have been a bit of impatience on their part that it took a little longer than they had expected. I do not apologise for that at all, as I believe that the agreement we now have is stronger, because we took the additional time to get it right. More than that, unlike previous agreements—whether it be the Belfast agreement, the St. Andrews agreement or many others such as the Weston Park agreement and so forth—this one is different. This one was agreed between parties in Northern Ireland. This was made in Ulster, and I believe that it will be all the stronger for that, all the more likely to stick and make it all the more likely that people will go out and stand by it. I believe that it will be a significant step towards peace, stability and prosperity for Northern Ireland.

6.52 pm

Mr. Laurence Robertson (Tewkesbury) (Con): During the nearly five years in which I have done this Front-Bench job, I have dealt with many statutory instruments. They have usually been dealt with upstairs in Committee; some have been difficult and some have been very easy. This one is, in a sense, the most important, but it is also quite easy in that we have unanimous agreement in the House that these orders should go through. They have been welcomed on all sides and I add my welcome this evening. It has been a rocky road and the last few weeks seemed particularly difficult. In spite of those difficulties, I certainly never lost hope or my faith that we would get to this position. I am very pleased thatwe have.

Right hon. and hon. Members have made some important and interesting contributions. The hon. Member for Foyle (Mark Durkan) certainly welcomed the orders, but raised an important issue about the sunset clause. It is a matter that we discussed when the original legislation went through last year. I wondered what would happen if we reached 1 May 2012 and an agreement had not been reached. My hope is that having reached agreement on this issue—it has been a very difficult issue and has taken longer than all the other devolution issues to resolve—the Assembly can agree again in order to renew the Department or pass legislation to set up an alternative Department that does essentially the same job. I hope that the Assembly can also start to agree on many of the issues that the right hon. Member for Belfast, East (Mr. Robinson) rightly said people are concerned about each and every day of their lives. People do not wake up necessarily wondering about parading or about devolution, but they do wake up worrying about jobs, their families, transport and all the other issues that people in Great Britain worry about. I hope that the example now set—with two parties, although it should have been four, coming together to agree on a difficult issue—will be replicated in the months and years ahead.

The hon. Member for Orkney and Shetland (Mr. Carmichael) raised the issue of the Saville inquiry, as did my hon. Friend the Member for North Shropshire (Mr. Paterson). We are not here to discuss that matter tonight, but I repeat my hon. Friend's words: in order to do justice to the long and expensive time taken in compiling the report, we really need the calm of the post-election period, not the pre-election period. I hope that the Secretary of State will take that plea into account.

The right hon. Member for Lagan Valley (Mr. Donaldson), in a customarily passionate and forceful speech, rightly condemned paramilitary activity. It has been unfortunate that we have seen an increase in such activity. As my hon. Friend the Member for North Shropshire said, the bomb squad has been called out and we hear reports of shootings and what can be described only as paramilitary activity virtually every week. It must be regretted on both sides. I hope that devolving police and justice powers today—and doing so unanimously, in this House, at least—sends out a message that we are not going to put up with it and that we are going to tackle these issues through politics and dialogue. Even if there are disagreements, the important consideration is how we disagree. I hope that today will send out a message to those trying to wreck the process. As has been said, they do not have support in the communities; they have no support either in Northern Ireland or in the south. I hope that message gets through loud and clear.

My hon. Friend the Member for South Staffordshire (Sir Patrick Cormack) paid many tributes to various people, including the ordinary people of Northern Ireland, without whose fortitude we could not have reached this stage—with respect to the orders or devolution in general. The problem with naming people for tribute is that not everybody can be mentioned. I would like to add the names of Margaret Thatcher, David Trimble, John Hume and a number of unnamed and perhaps anonymous officials who have worked very hard behind the scenes to bring about devolution in Northern Ireland. I would also like to pay tribute to my hon. Friend the Member for South Staffordshire, who has been an influential and assiduous Chairman of the Select Committee on Northern Ireland Affairs. It has been my pleasure to work with someone who I consider—and I know the whole House considers—to be an outstanding parliamentarian. I wish him well for the future.

The right hon. Member for North Antrim (Rev. Ian Paisley) has, of course, enjoyed an extremely long career. It was wonderful to hear him speaking with such optimism about Northern Ireland moving in the right direction. He rightly said that we cannot forget the struggles and the pain that so many people went through, but it is indeed good that things are moving in the right direction. I also wish him well for the future.

My hon. Friend the Member for Stone (Mr. Cash) reminded us in a characteristic speech of the long history of Northern Ireland. History is particularly important when it comes to Northern Ireland. As a Lancastrian who has many friends from Yorkshire, I know that history still plays an important role in relations between people. My hon. Friend reminded us how important history is to the present in Northern Ireland, although we want to move on from some parts of it. I certainly hope that today is part of that moving-on process.

The right hon. Member for Belfast, East rightly says that people are in favour of devolution, and the Conservative party is in favour of devolution generally as well as in favour of the devolution of policing and justice. As my hon. Friend the Member for North Shropshire said, the financial package is important, and my right hon. Friend the Leader of the Opposition offered immediate support to it when the matter was raised. It is a post-dated cheque; it is going to have to be written after the general election. Who knows, it may well be a member of my own party who has to write it. The package was readily agreed to. We recognised both the importance of the package and the importance of the issue that it was there to support, the devolution of policing and justice.

We have heard many speeches, today and in the past, about how successful we have been and what a long way we have travelled in Northern Ireland. I agree, although we must continue to work at peace and reconciliation and making progress; we cannot simply accept that things will always be like this. We must go on trying to normalise politics and life in Northern Ireland, and we must recognise the challenges presented by the ongoing paramilitary activity, by Saville and, perhaps, by 2012. There remains the question of who would be responsible for the support of civil powers if—very undesirably—that became necessary. Overall, however, we have made a

huge amount of progress. I wish the Assembly Members well for the days ahead, which, while they may prove challenging, have the potential to be very rewarding.

7.1 pm

The Minister of State, Northern Ireland Office (Paul Goggins): This has been an excellent debate—which is highly appropriate, given that this is the last occasion on which we will debate Northern Ireland policing and criminal justice on the Floor of the House.

I am delighted that we were joined today by the hon. Member for North Down (Lady Hermon). She may remember that back in 2003, when I was a Home Office Minister, she and I served together on a Committee that was considering a piece of criminal justice legislation. She kept asking me, "Why cannot this provision be extended to Northern Ireland?", and I kept replying "That is a matter for Northern Ireland Ministers." Of course, when I became a Northern Ireland Minister, that excuse was no longer possible—and no Minister in this Parliament can use it now, because such matters are to be devolved to a local Justice Minister and to the Northern Ireland Assembly.

The three orders that we have considered represent a milestone in the long journey from conflict to peace, from a divided society to a shared future. My right hon. Friend the Secretary of State rightly paid tribute to those who deserve it most—Northern Ireland's own politicians—for the leadership that they have shown, and the increasing political maturity that they demonstrate day by day. Now, even when there is disagreement, they can work through it together.

No one exemplifies that better than my hon. Friend the Member for Foyle (Mark Durkan), who always makes clear his disagreements—when he has them—about such issues as the appointment of the Minister and the interface with national security, but none the less shows his clear and unequivocal support for the progress that we are making. He rightly said that we should not make perfection an obstacle to progress, and I welcome his support for the progress that we are making.

There are many prizes for devolution. First, there is the not inconsiderable prize mentioned by the right hon. Member for Belfast, East (Mr. Robinson): the £800 million of extra resources, which, although hard won, is much needed and deserved. We are confident that it will be invested wisely. Secondly, there is the welcome prospect of an Executive working more effectively for the people whom they are there to serve, fully joined up across Government. Thirdly, there is the restoration of confidence in the political institutions of Northern Ireland after years of fracture and undermining by dissident elements.

Fourthly and crucially, there is the prospect of isolating the dissident element in Northern Ireland—the element that still seeks to attack and murder police officers and still wants to take Northern Ireland backwards, although the vast majority of people there want to move forward. The right hon. Member for Lagan Valley (Mr. Donaldson) reminded us of events that have happened even in recent days, but there is a clear determination in all political parties and all sections of the community, and there is no going back. The completion of devolution is capable of isolating the small number of individuals who persist in such actions.

The hon. Members for North Shropshire (Mr. Paterson) and for Tewkesbury (Mr. Robertson) rightly condemned those dissident elements and their activities. I join the hon. Member for North Shropshire in sending good wishes to Peadar Heffron as he recovers from his dreadful injuries inflicted by dissident attackers. His personal strength and the determination of his family stand in marked contrast to the cowardly conduct of those who attacked him.

The hon. Gentleman asked about the role of the Secretary of State in the future, beyond the devolution of policing and justice powers. The Secretary of State will remain the primary point of contact between the devolved Administration and central Government, and will be responsible for fostering good relations between the devolved institutions and central Government. However, he will have no role in determining the arrangements for the Department of Justice or the appointment of a Minister beyond 2012. That is a matter for the local parties and the Assembly to consider.

The Secretary of State has presented these orders with absolute confidence that the Assembly will be capable of determining the issues for themselves—the right hon. Member for Belfast, East underlined that—and that it will be possible in the coming months to learn lessons that can be deployed in decisions made after 2012. As I have said, these are matters for the Assembly, but we have every confidence that it will resolve them.

My hon. Friend the Member for Foyle predicted that, once again, he and I would disagree about certain issues. He talked of the interface between issues that will remain the responsibility of central Government and those that will be devolved. I do not deny for a minute that that interface needs to be dealt with extremely carefully, but I believe that it can be managed. Let me return my hon. Friend to the scene from the Clouseau film that he mentioned. The importance of the protocols is that we know precisely whose dog we are talking about, and what responsibility that particular dog has.

Mark Durkan *rose—*

Paul Goggins: I am more than happy to give way to my hon. Friend.

Mark Durkan: We published a number of concordats and protocols relating to these measures, including one on the independence of the judiciary and another on the independence of the Public Prosecution Service. Let me remind the Minister of a statement made on 13 December 2006 by the then Secretary of State, the right hon. Member for Neath (Mr. Hain), about the question of the issue of certificates for no-jury trials by the Director of Public Prosecutions. The right hon. Gentleman said:

> "if the DPP judges that there is a risk to the safe administration of justice because of information that he has received, the source of which is a matter for national security in terms of intelligence and so on, he is entitled to go to the judge and say, 'This is a certificate for a juryless trial.' I am not trying to suggest anything else, anything more or anything less than that." [*Official Report*, 13 December 2006; Vol. 454, c. 903.]

Matters that are surely perfectly plain—the independence of the judiciary and the independence of the DPP—are clearly qualified, in that strings can be pulled when there are national security and intelligence considerations.

Paul Goggins: It is rather simpler than that. Three of the four criteria on the basis of which the DPP decides whether to issue a certificate are related to proscribed organisations and therefore to terrorist matters, which are excepted. It is clear that the DPP must consider issuing a certificate in those circumstances. Matters relating to terrorism must remain excepted.

I am sure that my hon. Friend will recognise the progress that we are making in this regard. He will recall that in the 1980s, more than 200 juryless trials took place each year. In 2007-08, 29 certificates were issued, and in 2008-09 only 13 were issued. We are moving in entirely the right direction, and, as my hon. Friend knows, I have promised a comprehensive review of the powers in the Justice and Security (Northern Ireland) Act 2007 before any decision is made about the renewal of those powers to allow trials without juries. I believe that it has been necessary over the course of this year and last year to retain that power, but I hope, as he does, that at some point it will be possible to remove those powers altogether, so that every trial is a trial by jury. When that happens we really will know that we have moved forward into a more peaceful future.

My hon. Friend the Member for Foyle also talked, as he does, about intelligence policing, and I wish to set the record straight about that. The PSNI remains responsible for all policing in Northern Ireland, and it is accountable to the Policing Board and subject to the scrutiny of the police ombudsman. All the intelligence gathered by the Security Service in Northern Ireland is fully transparent before the PSNI, and rightly so. I see, day in, day out, that that relationship works and saves lives, and it will continue to save lives beyond the date of devolution. I believe that everybody in this House should support that effort. If the Chief Constable requires additional military support—this was another issue that was mentioned—he can, of course, request it through the Secretary of State. However, the Chief Constable has made it absolutely clear that his preference is for mutual aid from other police services. Again, I think that that is a normalisation measure and a step in the right direction.

The right hon. Member for Lagan Valley mentioned two matters that are not being devolved. The first one he mentioned was the powers under the 50:50 arrangement, and I acknowledge again his strength of feeling, and that of his colleagues, on that issue. We stand on the threshold of the 30 per cent. target being achieved—we hope that that will happen by March next year—and we have just renewed the powers to facilitate that objective. I just put it to him that, despite all the differences that we have, reaching that 30 per cent. target has been fundamental to building confidence in policing among all sections of the community. That confidence in policing has been crucial to the political progress that we have been able to make.

Mr. Donaldson: The Minister and I both served on the Standing Committee that considered the order to renew the legislation, so he knows that I caused a Division and voted against. Will he again confirm to the House that in the event of the 30 per cent. target being reached within the year the Government will come back to the House at that point and rescind the legislation?

Paul Goggins: I am grateful to the right hon. Gentleman for reminding me of the commitment I made in Committee, and I am happy to repeat here that if the 30 per cent. target is reached before March next year Ministers will come back to rescind those special provisions. The target was 30 per cent. and as soon as it is reached we shall be happy to disapply those special arrangements, and we would then proceed in the normal way on recruitment.

The right hon. Gentleman also mentioned parading, the responsibility for which we anticipate will be devolved at the appropriate time. I acknowledge all the work that has been done and he has played a huge role in taking that work forward in very short order. I hope that in due course the Assembly will make the request for this matter to be transferred, and it is something that we stand ready to do at the appropriate time—I think that he understands that. He also made a very important point about the role of the Assembly committee, which will of course have a wider remit, examining not only policing, but prisons, the Youth Justice Agency, the probation service and criminal justice policy, and many other things. He is right to make the distinction as to who is accountable to whom. The committee in the Assembly will hold the Minister to account, and the Policing Board holds the Chief Constable to account. That is the appropriate set of arrangements, and I know that the hon. Member for North Down also makes that point clearly and strongly.

The central truth of all this is that devolving policing and criminal justice powers means that we really do have joined-up government in Northern Ireland. The hon. Member for Orkney and Shetland (Mr. Carmichael) made the point that that is the key goal—I believe he said it was the "key prize"—and I can see a number of ways in which this will really move things forward. If the politicians in Northern Ireland are developing a resettlement strategy to reduce reoffending rates, they can do so more effectively when prisons and probation are joined up with health, employment services, housing services and so on. The big prize is that when devolution is completed the whole effort of government can be absolutely focused on young people, particularly those in hard-pressed areas, in order to give them a vision of something different, a way forward and a way out of antisocial behaviour or even worse. These are real prizes of devolution, and I know from listening to the debates of local politicians that they are very eager to grasp and move forward with them.

The hon. Member for Stone (Mr. Cash) demonstrated again his keen and long-standing interest in constitutional issues, and he reminded us of some of the history. We were all rather relieved that the violence and tumult to which he referred were not so evident in the Chamber tonight, despite the comments made by the right hon. Member for North Antrim (Rev. Ian Paisley) about his feelings towards certain previous Secretaries of State—I shall come to those in a moment.

May I thank the right hon. Member for Belfast, East on behalf of the whole House for the efforts he made to get here tonight, having had First Minister's questions in the Assembly this afternoon? I congratulate him, the Deputy First Minister and all his colleagues on what is being achieved. The focus in the right hon. Gentleman's speech was on a Northern Ireland beyond sectarianism, and the whole House supports him in that aim, vision

and objective. I know that he understands—he made this clear in his speech—that when policing and criminal justice is lined up with the rest of government it is more possible to deliver the vision about which he spoke.

I turn now to two stalwarts of this House who made tremendous speeches this evening, the first of whom was the hon. Member for South Staffordshire (Sir Patrick Cormack). As is his custom, he paid tribute to a great many people in his speech, but I wish to pay a huge tribute to him for all that he has done. He has remained deeply committed to the Committee that he has chaired so admirably in recent years. I know from my own personal experience that he has wise words of criticism, which are usually gently delivered, but effectively so, as well as huge warm encouragement to offer to Ministers, to other Members and to members of his Committee in order to achieve the big prize of trying to make progress. I thank him personally for the encouragement that he has offered me, and I know that I speak for others here too. He is a truly even-handed Chair of the Select Committee, and I thank him for all that he has done. He will be a great loss to this House, but we all wish him well for the future.

I turn now to the right hon. Member for North Antrim, about whom much has been said over the many years of what the right hon. Member for Belfast, East described as a "colourful" career. I think that we would all join in that opinion. Irrespective of whatever has been written about him, I have always found him in this place to be unfailingly courteous, kind, thoughtful, generous and deeply spiritual. Those things are the hallmark of the right hon. Member for North Antrim, who is right to say that there is no reason why people of strong views cannot live together if they can find common ground and work on the issues that separate them so that they can move forward together. His leadership has been crucial to the progress that is now being made in Northern Ireland. I remember his speech at St. Andrews—that crucial moment in the step forward to peace and progress in Northern Ireland—when he said that it was necessary to take the step for the sake of the children. Every time he speaks, he speaks about the future and the future for those children, and he does so in a heartfelt way. I wish to thank him for his contribution to this House and to political progress in Northern Ireland, and for what he has done to improve the prospects for people in Northern Ireland. He will, in the end, be remembered as the man who ultimately said yes.

I detect consensus in this place this evening, and that consensus has been vital in bringing us to this point, where we are on the eve of devolving policing and justice powers. The consensus has been in place here and outside this place. In particular, it was a consensus that many of us felt last week when we visited the United States. Successive Presidents—Presidents Clinton, Bush and Obama—have all been involved and all been supportive in this process, as has Secretary of State Clinton, and they have all put real effort, time and support into the efforts of Northern Ireland's politicians. The right hon. Member for Lagan Valley reminded us of the hurt and pain that people still experience and the uncertainty that it has brought with it. The encouragement and the partnership in this place and beyond this place have, I think, been important.

It is very important that that sense of support and solidarity remains in place. Devolution means full empowerment; it does not mean isolation.

Mark Durkan: Will the Minister give way?

Paul Goggins: Devolving policing and justice powers means that Northern Ireland's politicians can really get on now, delivering peace and prosperity and building a better future for the people of Northern Ireland.

Mark Durkan *rose—*

Paul Goggins: I am sorry; I did not hear my hon. Friend. I am happy to give way.

Mark Durkan: I thank the Minister for giving way. In the context of his reference to people still suffering pain and hurt, will he acknowledge that there is a family in my constituency who are grieving as a result of a recent murder by the Real IRA? They have serious questions about MI5's involvement in the background to that murder—the interest to which it was subjecting that young man, the surveillance and the attention that it was giving him—and they are left believing that MI5 knows more about his murder than has been disclosed. I know that the family got the opportunity to talk to the Secretary of State, too. This is a very real issue in that context. Does the Minister acknowledge that and how does he see it being addressed? What assurances can he give that family?

Paul Goggins: First, I did not mean any discourtesy to my hon. Friend or to his constituents in not taking his intervention at first—I was not aware that he was seeking to make it. In the end, the devolution of policing and justice is about isolating those who would carry out such a dreadful deed. I bitterly regret the attack that was carried out on his constituent and I understand the distress and hurt that have been caused by that. If he wishes to pursue the issue with me beyond the debate I will be more than happy so to do—he knows that—and if there are things that I can do to support him and his constituents, I will be happy to do them. I can reassure him that the police are investigating that vile murder. If there are views that the family want to bring to my attention, I ask him please to encourage them to do so. I would be happy to meet him and to discuss that further.

I had concluded my speech, but let me say again that I wish all the politicians of Northern Ireland well in building that peaceful, prosperous future for which so many have worked so very hard.

Question put and agreed to.

Resolved,

That the draft Northern Ireland Court Service (Abolition and Transfer of Functions) Order (Northern Ireland) 2010, which was laid before this House on 10 March, be approved.

NORTHERN IRELAND

Resolved,

That the draft Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010, which was laid before this House on 10 March, be approved.—*(Mr. Blizzard.)*

Resolved,

That the draft Northern Ireland Act 1998 (Amendment of Schedule 3) Order 2010, which was laid before this House on 10 March, be approved.—*(Mr. Blizzard.)*

ADJOURNMENT (EASTER)

Motion made, and Question put forthwith (Standing Order No. 25).

That this House, at its rising on Tuesday 30 March 2010, do adjourn till Tuesday 6 April 2010.—*(Mr. Blizzard.)*

Question agreed to.

CHILD POVERTY BILL (PROGRAMME) (NO. 2)

Motion made, and Question put forthwith (Standing Order No. 83A(7)).

That the following provisions shall apply to the Child Poverty Bill for the purpose of supplementing the Order of 20 July 2009 in the last Session of Parliament (Child Poverty Bill (Programme)):

Consideration of Lords Amendments

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement at this day's sitting.

Subsequent stages

2. Any further Message from the Lords may be considered forthwith without any Question being put.

3. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*(Mr. Blizzard.)*

Question agreed to.

Child Poverty Bill

Consideration of Lords amendments

7.23 pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): I beg to move, That this House agrees with Lords amendment 1.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this is will be convenient to take Lords amendments 2 to 12, 14, 15 and 19 to 21.

Mr. Timms: Let me take the opportunity to thank hon. Members in this House and noble Lords in another place for their contribution to the passage of this groundbreaking Bill. It aims to drive the lasting eradication of child poverty and establishes a framework for accountability by requiring annual reports to be made to Parliament on action taken on the Government's child poverty strategy.

Members of this House and peers in another place agreed that progress against the 2010 target to halve child poverty should be reported clearly and as part of the Bill. The Government accepted that proposal and Lords amendment 1 therefore requires the Government to make a report to Parliament on the 2010 target. The report must be made as soon as reasonably practicable after the end of the 2010 target year and in any event not later than 30 June 2012.

Lords amendments 2, 3 and 4 add to or clarify the policy areas that must be considered by the Secretary of State when preparing a child poverty strategy. There was wide agreement that the strategy should include a measure on support for parents, to increase their capacity to support their children's development. That is reflected in Lords amendment 2. Lords amendment 3 recognises the importance of addressing mental health in tackling child poverty. Lords amendment 4 ensures that the Secretary of State, in preparing a UK strategy, will not only focus on those children who are easy to lift above the poverty line, but consider those children whose disadvantage is greatest.

Hon. Members in this House and peers in another place agreed that there should be a direct requirement to consult children when preparing child poverty strategies. Lords amendments 5, 6 and 7 ensure that there is an explicit requirement for the Secretary of State, the devolved Administrations and local authorities to consult children and organisations working with them, as they see fit, when drawing up strategies.

Members of the other place also argued, rightly in my view, that consultation should be extended to parents, whose views should inform the development of the child poverty strategies, so Lords amendments 8, 11 and 12 place a duty on the Secretary of State, the devolved Administrations and local authorities to consult parents directly and to consult the organisations working with or representing them, as they see fit, when preparing their strategies.

Mr. William Cash (Stone) (Con): In the context of the proposals to introduce these measures relating to child poverty, does the Minister accept that a child can be in poverty not only by reference to the criteria set out in clause 24, but because the degraded circumstances and moral environment of the family in question induce

it? The problem is not just socio-economic; it relates to how a child is brought up, how it is treated, as we have found so often in the tragic cases that have led to death in many instances.

Mr. Timms: The hon. Gentleman is right, of course, that all kinds of disadvantage can affect children. As the Bill makes clear, the child poverty strategy that the Government will draw up needs a broad base. The partnerships of local organisations that address it also need to be broad. In the end, poverty is about income and that is why the targets in this Bill are set and drawn in the way they are. There is a shared determination across the House, which has been reflected in the debates on this measure, to reduce the incidence of child poverty and of low income, which causes it.

John Howell (Henley) (Con): I am very interested in what the Minister has just said. Does he not accept that Lords amendments 1 to 4, in particular, take us back to what we argued for in Committee—that is, to an emphasis on the causes of poverty and not just on the financial amounts that are given?

Mr. Timms: We are all concerned about the causes of poverty. It is certainly true that in some respects—particularly, for example, as regards the amendment on the 2010 target—the Government have accepted what the hon. Gentleman and his hon. Friends were arguing for, and a report will be produced specifically on that target. However, I certainly would not agree with him that it was simply Conservative Members who were concerned about the causes of poverty. That concern was widely shared.

There were concerns in the other place that the Bill did not give enough recognition to the needs of "family and friends carers" who might look after a child full time but who do not have parental responsibilities. Lords amendment 14 extends the definition of "parent" to cover those who do not have parental responsibility but who are caring for children who live with them. The new definition, in conjunction with the provisions in clause 9, means that the Secretary of State must, when preparing a UK strategy, consider measures aimed at all persons who have parental responsibility for a child or who have a child living with them, including "family and friends carers".

Lords amendments 9 and 10 remove the definitions of "parent" and "parental responsibility" from clause 17. Lords amendments 14 and 15 move the revised definition of "parent" and the existing definition of "parental responsibility" into part 3, thus ensuring that the widened definition of "parent" applies to the whole Bill and not just to part 1. The requirement for local authorities to consult parents, in Lords amendment 12, will apply the new, wider definition of "parent".

7.30 pm

Finally, Members of another place argued that the independence and effectiveness of the child poverty commission would be strengthened by permitting it, rather than the Secretary of State, to choose a deputy chair from among its members. We were persuaded that Lords amendment 19 would give the commission greater scope to regulate its affairs in the most efficient and effective way.

I hope that I have explained the amendments sufficiently, and I am grateful to those across the House and the other place who have supported the aims of the Bill and worked hard to achieve what is before us. I hope also that the House will be happy to agree to the amendments.

Andrew Selous (South-West Bedfordshire) (Con): It is a pleasure to be back debating this important Bill, which has, as the Minister rightly says, enjoyed cross-party support. We have had useful debates on it, and I believe that the amendments agreed in the other place make what was a good Bill even better. The Conservatives are certainly pleased to welcome the amendments, and I was pleased by the spirit in which the Minister addressed his remarks.

Let me go through the amendments. As my hon. Friend the Member for Henley (John Howell) has pointed out, we are particularly pleased that the 2010 target has been inserted in the new first clause of the Bill. My hon. Friend the Member for South-West Hertfordshire (Mr. Gauke) proposed the same clause in Committee on 3 November 2009, but it did not find favour at that time, as the two Ministers currently on the Treasury Bench—the Financial Secretary to the Treasury and the Under-Secretary of State for Work and Pensions, the hon. Member for Bishop Auckland (Helen Goodman)—were not happy to support it at that stage. That change matters because, sadly, early progress on reversing child poverty has not been maintained since 2004-05. The report that will be produced on the 2010 target will provide an important opportunity to take stock and see what new approaches could be tried to ensure that progress does not continue to slip back and that further progress can be made on reducing the number of children in poverty.

I am particularly pleased that amendment 2 on promoting parenting skills has been made. Again, I tabled a similar amendment in Committee—amendment 2 to clause 8—which was aimed at strengthening family relationships in order to reduce family breakdown, as well as having other aims. I hope that due attention will be paid to the provision of parenting skills. The research of academics such as Cowan and Cowan at the university of Berkeley in California, who gave a very informative presentation in the House not long ago, has shown quite conclusively that parenting work is even more effective if it is combined with work to strengthen the relationship between parents, where that relationship still exists. That is a welcome change.

Mr. Cash: Unfortunately, I did not have the opportunity to take part in the Committee. May I follow up my earlier intervention by asking my hon. Friend whether some reference to the circumstances in which children find themselves when there is moral deprivation in a household could have been included? Does he regard parenting skills as including trying to teach children the difference between right and wrong? In other words, the fact that they do not have money does not necessarily mean that they do not have happiness.

Andrew Selous: I thank my hon. Friend for that intervention. He touches on an important point regarding the causes of poverty, which are very complex. A central point that my hon. Friends and I have raised throughout the Bill's progress through both Houses has been about

[Andrew Selous]

paying due attention to the full range of those causes and particularly to making sure that the cycle of intergenerational poverty does not repeat itself. The elements that my hon. Friend has raised are important, and I am grateful to him for putting them on the record.

Bob Spink (Castle Point) (Ind): I congratulate the hon. Gentleman on his efforts to improve the Bill, which was always a good Bill. Is he satisfied that there is sufficient focus in the amended Bill on giving more power to the wider family in dealing with related issues? When I talk about the wider family, I include grandparents, aunts and uncles.

Andrew Selous: I am grateful to the hon. Gentleman for raising that useful point. I shall speak shortly about the measures in the Bill on kinship care—the friends and family provisions—which go some way towards addressing the issues he raises. His point is also well made because we need to consider the wider context within which children grow up. Family—both nuclear and extended—is very important within that.

Returning to amendment 2, the inclusion of the amendment and the words "parenting skills" in the Bill goes some way towards providing recognition for what I call the vanished eighth building block from the "Ending child poverty: making it happen" document that the Government's child poverty unit produced last year. The building block of family was clearly in the document but seemed to escape clause 8. The inclusion of parenting skills in the Bill is important. That is not all that we need to do in this area, but its inclusion is very welcome, none the less.

I am also delighted that mental health has been included, through amendment 3. I pay tribute to my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) for having played an important and useful role in Committee. He valiantly attempted to get recognition for mental health in the Bill on 3 November 2009 with his amendment 62, which hon. Members can read in column 292 of the Committee's proceedings. The amendment was defeated by only one vote, so it nearly succeeded, and we had cross-party support on it. I am pleased that mental health is now included, as it is an important issue, which, for many families, must be addressed before they can move themselves out of poverty.

Lords amendment 4, on recognising the vulnerability of specific groups, is particularly important and welcome. We discussed that issue in Committee on 29 October when we debated amendment 2, which can be seen at column 213 of the Committee's proceedings. I spoke about the issues that affect families with disabilities, who have particular needs, and I mentioned the needs of certain ethnic minority communities, such as the Bangladeshi community in London, in which there are particular problems. The recognition of vulnerable groups is useful. We need to recognise that we cannot have a one-size-fits-all strategy, and that certain groups will need particular focus, attention and outreach work. There are non-governmental organisations and others with particular expertise in this area.

I was at a seminar on child poverty this morning at which I heard about some work done by Save the Children, again with Bangladeshi women in London. The work had been especially useful and real progress had been made, and I commend it to the child poverty unit. It is worth the unit looking into that work further when it considers vulnerable groups, which, as I have said, are an important and useful addition the Bill.

John Howell: Like my hon. Friend, I welcome Lords amendment 4 and its focus on those most at risk. However, does he share my concern that we do not have any criteria for understanding how to decide who are most at risk? Does he agree that that decision can be made only by looking at the causes of poverty, rather than simply using fractions of income between different groups? The change is welcome, but we need to understand how Ministers will make the decision.

Andrew Selous: As always, my hon. Friend makes a good and important point. He will know that I have continually raised the issue of how we deal with the causes of poverty, and with the strict income requirements that the Minister quite rightly raised. My hon. Friend is right that progress has been made, and that there has been some recognition at least that vulnerable groups should be included in the Bill, but he is also right to say that the Bill does not specify which groups are vulnerable. Further work will need to be done in that regard, and it will be up to the Secretary of State and the child poverty commission to start answering the questions that my hon. Friend has quite properly raised.

Lords amendment 5 deals with how we can ensure that parents of children living in poverty, and the children themselves, are consulted as part of the work of the Secretary of State and the CPC. That is a very important amendment, and I was pleased to vote for what was amendment 56 when it was brought before the Committee. I am sorry that it was defeated at that time, but I am very pleased that the Bill has come back to us with this requirement to consult parents and children living in poverty.

What that makes clear is that consultation by expert proxy is not acceptable, in any walk of life. We should welcome consulting directly the people for whom we are trying to provide services and at whom legislation is directed. There is a lot of evidence to show that consulting people who are to be helped by legislation early enough—especially at a commissioning level—brings many advantages. For example, I learned last week that better social care for disabled children can be achieved at a lower cost if the consultation is done properly and carried out early enough, particularly at the commissioning level. There are advantages all round when that approach is taken, so the amendment is a very welcome addition.

The amendments on care provided by family and friends, or kinship care, are tremendously important, and I am very pleased indeed to see them added to the Bill as it comes back from the other place. We debated those issues in Committee, and to their credit Ministers committed to go away and look at this area. I am very pleased that the Government have agreed to the amendments.

These amendments recognise the vital work done by really important groups of people in looking after vulnerable children in poverty. The work often requires significant personal commitment, and it is absolutely right that there is recognition in the Bill of what these

people do. That is particularly important, as there is evidence that the results for children who are looked after by carers who are family and friends are often superior to those placed in other categories.

There are questions about local authorities' policies when it comes to placing children with friends and family carers, given that the evidence seems to suggest that that approach secures better outcomes. It is important that those people are recognised. The role of grandparents was raised earlier, and is particularly important in that regard. As I said, the amendments are very welcome for all those reasons.

Finally, Lords amendment 19 gives the CPC the ability to appoint its own deputy chair. I think that this is a welcome change, as it gives the commission a degree of independence in regulating its affairs. It is therefore a useful addition to the Bill.

7.45 pm

Steve Webb (Northavon) (LD): Like both speakers so far in this debate, I welcome this group of amendments that their Lordships have put before us today. I am also pleased that the Government have accepted them and are not opposing them.

Many of the points that I want to make have been made already, including the importance of consulting the children directly. I am grateful to the hon. Member for South-West Bedfordshire (Andrew Selous) for highlighting my amendment to that effect, which he was kind enough to support. However, I do wonder slightly why what was a bad idea in November is now a good one in March and April. It would be terribly churlish of me to complain when an idea that we supported is accepted by the Government, but it raises an issue in my mind about the point of the Committee stage.

The Minister has accepted that these are fairly good ideas, but it is a little frustrating when ideas that are put forward in a moderate way and with a broad degree of consensus are rejected almost for the sake of it. I hope that the Minister will reflect on that in the next term of government that he serves, and that he will perhaps be a bit more responsive to future amendments.

I welcome the recognition of the role of grandparents and other carers, and Grandparents Plus and other organisations have done a great job in raising our awareness of these issues. I know that they will look forward to ongoing discussion with the Government and local authorities about how the amendments are implemented in future.

I reflected on why the Conservatives were so enthusiastic about the 2010 target and the associated report. I assumed that they hope that some putative future Conservative Administration will be able to use the report as something to beat what they hope will then be the Opposition with. The Conservatives are unlikely to be doing so well on child poverty themselves by that point, so they will at least want to be able to say that the other lot were worse—

Andrew Selous: That is churlish.

Steve Webb: The hon. Gentleman says that that is churlish, but it would be nice to think that the 2010 report will not be entirely backward looking. However, I fear that that 2010 target will be missed. Although it would be nice to think that there will be announcements on Wednesday to put us back on track, I fear that there will not be and that it may be too late for that.

The report must not say merely that the target was missed because not enough money was spent, or whatever. It must give us lessons to learn over the following decade, so that we can get back on track. I hope that whoever is in government after the election will not see the report simply as an opportunity to score points about the record of the previous Administration. The interim target looks likely to have been missed, and the next Government must see the report as something from which we can learn, so that future targets are not missed.

I very much welcome the wide range of issues touched on in the amendments, especially the direct consultation with children and not just their representatives, and the involvement of wider care networks. Therefore, I shall encourage my colleagues to support the amendments.

John Howell: It was a great pleasure to serve on the Bill Committee, and it would be a little churlish to attack the amendments before us today, or to point out the negative elements of some of them. They are very welcome, but I echo the point made by the hon. Member for Northavon (Steve Webb), to the effect that it needs the other place to introduce the same amendments that we tabled in Committee to get them through. That goes to the heart of the purpose of the Committee stage in this place.

This is a better Bill as a result of the changes that have been made, and I want to pick up on a couple of points to do with the first four amendments in this group. I am very pleased that the 2010 target has been included in the Bill, and it is worth reflecting on a couple of points that my noble Friend Lord Freud made in the other place. He pointed out that the 2004 turndown was still not fully explicable, and said that there was therefore a need for the report to put the various economic factors involved into context. He was of the opinion that that would inevitably highlight the differences between those that occurred, positively or negatively, simply because of income transfers and those that occurred because issues that were at the root of tackling child poverty had been dealt with. I hope that that report will do justice to distinguishing between them. Without that, it will not be possible to learn the lessons that ought to be learned from the report. It is a shame that the Government continually confused the need for that report with the report set out in clause 8. They are very different, and I am glad that that has been recognised.

In amendment 2, I welcome the addition of improving parenting skills and promoting parental support. However, that leaves the Bill slightly unbalanced. We wanted to include a number of other factors that would indicate the causes of poverty that need to be tackled. I am glad that parental support and skills have been added, but that does not take away from the need to look at other factors. It would have been more useful to adopt the broader approach for which my hon. Friends and I argued in Committee.

Like others, I am extremely grateful to my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) for pursuing the important issue of mental health. In the other place Baroness Butler-Sloss summed it up well by saying:

"The mental health of children, especially children in socio-economically disadvantaged households . . . requires careful attention." [*Official Report, House of Lords*, 9 March 2010; Vol. 718, c. 200.]

[John Howell]

There are two disadvantages there, neither of which is necessarily immediately recognisable, and they may take some effort to identify.

Finally, with the focus of amendment 4 on those at most risk, it would be useful to hear from the Minister how those groups that are considered to be most at risk are to be decided. I appreciate that at this stage there may not be detailed plans for taking that forward, but we need an indication of how the most vulnerable are to be assessed.

All in all, I welcome the amendments. There is a sense of déjà vu about many of them, but they are no worse for that, as they came from a good stable, if I may mix my metaphors horribly. I am pleased that the emphasis has been put back on tackling the causes of poverty, rather than looking simply at income.

Mr. Cash: I shall follow what my hon. Friend the Member for Henley (John Howell) said about causes, and I congratulate my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) on insisting upon mental health being included in the provisions. Although I support the Bill and its objectives and do not doubt that it was discussed with enormous diligence in Committee, it seems to me as one entering the discussion at this stage that there is a problem in imposing duties to produce consequences that are driven by socio-economic statistical arguments.

For example, the Secretary of State is required to consider the needs of the most vulnerable groups of children when preparing a UK strategy. Under amendment 4, the Secretary of State

"must consider which groups of children in the United Kingdom appear to be disproportionately affected by socio-economic disadvantage".

I get slightly worried when I hear such language. It attempts to achieve a worthy objective, which we would all strongly support, but it could produce an enormous amount of time-consuming additional form filling, regulations and analysis.

The heart of the child poverty issue is not necessarily, though it could be, a lack of money or any of the criteria set out in the Bill. There is also the problem of children being exposed, for example, to social networking facilities—*[Interruption.]* I can see some discussion going on, which is a little distracting. It is important to make sure that children are brought up in an environment in which they can tell the difference between right and wrong. That is a spiritual and moral objective, which is not included in the Bill.

John Mason (Glasgow, East) (SNP): Does the hon. Gentleman agree that he is rather over-stressing the point? To most people, the words "poverty" and "lack of income" are closely linked. That is the main issue, although there may be other issues as well.

Mr. Cash: I do not disagree with that at all. I am merely saying that in the Bill there seems to be a lack of awareness of the moral dimension, which I believe is necessary. Furthermore, the language of the Bill is largely based on statistics and socio-economic analysis, rather than on the kind of objectives from which we all assume that children and young people in poverty would benefit as a result of being brought up properly. It is quite simple.

Mr. Timms: With the leave of the House, I welcome the support for the amendments that has been expressed across the House. Let me respond to some of the points that have been raised.

The hon. Member for Henley (John Howell), who made a valuable contribution in Committee, asked how we would define the groups referred to in amendment 4. It is envisaged that those groups would be identified through careful analysis of the data on households below average income. On that basis, an assessment would be made about which groups should be examined most closely.

The hon. Gentleman and the hon. Member for South-West Bedfordshire (Andrew Selous) made fair points about what might appear to be a Government concession on the report about the 2010 target. The amendment that we considered in Committee required that a report on the 2010 target be produced within three months of Royal Assent. That would not be possible because the data would not be available till some time after that. The amendment before us is different and it works. Nevertheless, I would not wish—to pick up one of the words frequently used so far in the debate—to be churlish about the change that has been made.

May I say to the hon. Member for Stone (Mr. Cash) that there is a variety of forms of disadvantage? That is right, and one could talk about many different kinds of disadvantage that children can suffer. The Bill, however, is about child poverty, and poverty is about a lack of money. I remember times when Conservative Members would have been reluctant to talk about poverty in those terms. I welcome the progress that has been made, and the fact that across the House we are able to talk seriously about poverty and recognise that lack of money is a problem. That is what the Bill is about, and it is right that we should legislate for that in this way. I am grateful to all those who spoke.

Mr. Graham Stuart (Beverley and Holderness) (Con): I welcome the change of heart on mental health. Will the Minister share with the House the rationale for the Government's change of position on that?

Mr. Timms: I pay tribute to the hon. Gentleman for the move that he made in Committee, which we did, indeed, resist. There was a good debate on the topic in the other place and, for reasons that I entirely support, my noble Friend Lord McKenzie of Luton was persuaded that it would be right to make that factor explicit in the Bill. This was one instance in which the hon. Gentleman did not overstate his case, and I am glad that we have been able to accept it.

Lords amendment 1 agreed to.

Lords amendments 2 to 12 agreed to.

8 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Helen Goodman): I beg to move, That this House agrees with Lords amendment 13.

Mr. Deputy Speaker: With this it will be convenient to discuss Lords amendments 16 to 18.

Helen Goodman: Lords amendments 13 and 16 to 18 would make the legislative changes necessary to implement the announcement that the Chancellor of the Exchequer made in his December pre-Budget report to extend eligibility for free school meals to primary school pupils in England in working families with an income of up to £16,190 from September 2010. The extension will be phased in for up to 50 per cent. of pupils from September, with the remaining 50 per cent. of entitled pupils receiving free school meals in September 2011. Extending free school meal entitlement in that way would assist in the reduction of child poverty by supporting low-income families and improving incentives to work. Once fully implemented, it would benefit about 600,000 children and lift more than 50,000 children out of poverty.

Steve Webb: Will the Minister clarify the roll-out process? Will half of local authorities be covered? If not, which 50 per cent. of children will come first? I had not realised that the process would be undertaken in two stages, so will she clarify the phasing?

Helen Goodman: If I could return to that point in a moment, I should be able to give the hon. Gentleman a fuller response.

Hon. Members will have noticed that the proposed new clause is headed "Free school lunches and milk", and they may like to know that this year is the 39th anniversary of Mrs. Thatcher snatching the milk, so I feel particularly privileged to be here tonight moving an amendment that would put that strategy into reverse.

The hon. Gentleman asked why we are rolling out the process only to 50 per cent. of primary pupils in September. The reason is that some schools may need to increase their kitchen and catering capacity, and it also reflects the funding that is available: £85 million has been made available to support the roll-out from September, and further resources will be available from 2011. I accept that I have not fully responded to the hon. Gentleman, and I shall endeavour to return to that point.

Bob Spink: I support the Bill, even though I do not support what the Minister said about Mrs. Thatcher. Does the Minister agree, however, that it is even more important to provide milk and nourishment to children in nursery education? It is probably more important than providing milk to children in primary education, and it would be easy to do. Will she consider that idea at some stage?

Helen Goodman: The hon. Gentleman is right: the earlier we start on such programmes, the better. That is why, for example, we have introduced the health in pregnancy grant, and why milk vouchers are still available for very low-income families. However, I am anxious not to stray beyond the terms of the amendment. The proposals and the PBR announcement were welcomed in the other place, and I urge the House to agree to these Lords amendments.

Andrew Selous: We welcome this group of amendments in relation to free school lunches—and milk, as the Minister has quite rightly pointed out.

The Minister might consider my first question rather underhand and technical, but I ask it at the start of my remarks just to give her time to find inspiration for the answer. What is the position for children in middle school years 5 and 6 in relation to the proposed provisions? I am not just being technical or awkward, because the whole of Bedfordshire has the middle school system, so it is a relevant question for the county and the area that I represent, as indeed it is for children in the three-tier system, where it exists, throughout the country. I ask that question at the beginning of my remarks to give the Minister time to find an answer to it.

I am grateful to the Minister for her comments in response to the intervention by the hon. Member for Northavon (Steve Webb) about funding, but will she confirm that the funding for those free school lunches and milk would come entirely from local government? I spent some time in the Library earlier today trying to get to the bottom of exactly how the proposal would be funded, because in years gone there has been a tendency for central Government to place requests on local authorities, and a cheque has not always been attached to the second page of the letter. I am not saying that that has happened in this case, but I would be grateful if the Minister were to elaborate on that point.

It is worth putting on the record our recognition of the work of Rev. Paul Nicolson, who gave evidence to the Public Bill Committee on diet and nutrition as regards families in poverty. As Ministers will agree, he has been extremely persistent on that issue, and to good effect, too, so I am very pleased to pay tribute to him.

Has any thought been given to a possible perverse incentive of the measure, welcomed and supported as it is by the Opposition? It relates to the withdrawal of passported benefits when the incomes of parents increase. To illustrate my point, I think in particular of the single mother who came to my surgery a month or so ago, telling me that she was in work but on a fairly low income. I think that she earned about £900 a month, a very low income by any standards. When I discussed the ways in which she could try to earn a bit more, she expressed a very clear reluctance to do so, because she was worried about the withdrawal of her passported benefits.

On the basis of my constituent's own research and experience of being paid a bit more at previous times in her life, she had clearly identified, and frankly felt, that she would be worse off, so she was happier to stay on a lower income and have the free dental care and other passported benefits, of which free school meals would be a part. Although the measure is welcome, it touches on withdrawal rates in respect of such matters, so I should be grateful to know whether Ministers have given any thought to that. I repeat, however, that the Opposition welcome the measure.

Mr. Graham Stuart: Does my hon. Friend agree that one of the most exciting prospects for an incoming Conservative Government is to tackle the position of so many people who are stuck in poverty? They might be at a higher level than they were when this Government came to power, but none the less the poverty traps remain, and we need fundamental reform, looking very much at the way in which benefit and tax work together to disincentivise people who want to get on and improve their lives and that of their families.

Andrew Selous: As ever, my hon. Friend gets to the heart of the issue, and he makes a very important point. An urgent task for whoever forms the next Government

[Andrew Selous]

will be to ensure that the benefits system incentivises work smoothly at every level of low income—in a way that it does not at the moment. My hon. Friend is absolutely right to raise that issue, and he has been absolutely right on so many issues throughout our consideration of the Bill.

Steve Webb: Hitherto we have debated the Schleswig-Holstein question, and tonight we have the Bedfordshire question. I hope, in anticipation of a note from the Official Reporters, that they know how to spell the former, because I certainly do not. The hon. Member for South-West Bedfordshire (Andrew Selous) rightly asked how middle school pupils will fare. I assume that the cut-off point will be as per that for primary school pupils, but we will wait to see what the answer is.

The intervention by the hon. Member for Beverley and Holderness (Mr. Stuart) was interesting because, in a sense, this is about a contrast between our saying, "Wouldn't it be nice if this happened?", and his being about to support, I assume, with the hon. Member for South-West Bedfordshire, something that makes the problem that he describes worse. That is the paradox, is it not? We all want to do more for low-waged working families, but the distinction that I would make is that between what is known in the jargon as the unemployment trap and the poverty trap. The unemployment trap says, "Is it worth working at all?" and the poverty trap says, "Once you're working, is it worth working harder?" We are improving the unemployment trap by saying "If you take a low-paid job you keep your free school meals, which you didn't get previously, so we are helping with that," but then we say, "Having got into a low-paid job we haven't incentivised you to do overtime, or to train up, or whatever." Even under a Conservative Government, those trade-offs would exist.

Mr. Timms: Does the hon. Gentleman recall, as I do, that the number of people facing a 70 per cent. withdrawal rate was a great deal higher under the Conservative Government than it is at the moment?

Steve Webb: I well recall the statistics during the 1980s, when there were rather more people who simply did not find it worth their while to work at all. A lot more has been done as regards in-work support. The unemployment trap is a lot less severe than it used to be, but the in-work poverty trap is more severe, because more help is being given to low-paid families. We are at a different point in the trade-off. The support for free school meals is therefore welcome.

I have a question about take-up. The Minister used a figure of £16,100, which I assume is the cut-off point for working tax credit, or whatever, because there is no figure in the amendments, just a concept. Of course, punters will not have the faintest idea that at £16,000 they get this thing and at £17,000 they do not; and the number will presumably change every year if the thresholds are indexed, and so on. People will say, "How do I, as a low-waged family member on working tax credit, get to know about this? If I've been in the system for a long time, I'll probably find out, but if I move from unemployment into low-paid work and come into the working tax credit system, how do I know that my child can get free school meals under the provisions of these amendments?" With a lot of these benefits, the theory is great but the reality is that many people do not claim them. I hope that the Minister can give a flavour of the strategy that will be in place to ensure that these entirely welcome rights are actually taken up by those who will benefit from them.

Helen Goodman: With the leave of the House, Mr. Deputy Speaker, I would like to respond to the points that have been made.

The hon. Member for Northavon (Steve Webb) asked how we were phasing in these measures, and the hon. Member for South-West Bedfordshire (Andrew Selous) asked about the position of children in middle schools. The answer is the same to both of them. Let me explain how the amendment works. We have to make this change to primary legislation, because although it is currently possible to vary entitlement, it is not possible to do so according to the age of the child, so the amendment enables us to vary it in that way. We will introduce this for children in key stage 1 in September 2010 and for those in key stages 1 and 2 in September 2011. I hope that that satisfies both hon. Gentlemen.

The hon. Member for South-West Bedfordshire asked whether the money is coming from local authorities. It is new money that was announced by the Chancellor before Christmas, and the funding goes via the schools budget. I agree with what he said about Rev. Paul Nicolson, who has indeed been assiduous. He was assiduous in lobbying me before I was a member of the Government, and he is still assiduous in telling me his views, day by day, instant by instant, on the development of policy as we go forward.

What we are doing significantly improves incentives for parents. It was precisely because of constituency cases that we were experiencing, with parents coming to us and saying that they were not clear about whether they would be better off by moving into work given the loss of passported benefits when they moved from income support or income-related jobseeker's allowance, that we wanted to extend the entitlement to free school meals to parents on working tax credits. This involves quite a significant sum of money. I do not know about other hon. Members, but I find that I am giving my children £3 a day for school meals. For someone with two children, that amounts to £30 a week. These are quite chunky sums coming out of people's budgets.

8.15 pm

Andrew Selous: I take the Minister's point—she is right that these are significant amounts of money. To use the helpful distinction made by the hon. Member for Northavon, my question was not about the employment trap but the poverty trap. Has any research been done about that within the Department or elsewhere?

Helen Goodman: The calculations that officials have done using the models that we have suggests, as I think that I have said, that this measure will reduce the number of children in child poverty by more than 50,000, so the possibility that the hon. Gentleman raises would not be the case.

The hon. Member for Northavon asked whether we had any measures in the pipeline to encourage take-up, because obviously these things are only worth while if people avail themselves of them. The Department for

Children, Schools and Families has been working with other Government Departments to develop a free school meals eligibility checking system known as "the Hub", which enables local authorities simultaneously to check data from the Department for Work and Pensions, the Home Office and Her Majesty's Revenue and Customs to ascertain whether a parent qualifies for free school meals. That system has significantly reduced bureaucracy. It is currently being extended to all parents to allow them to check their own eligibility and to apply online for free school meals. However, I will take away the hon. Gentleman's point to see whether there is anything further that we can do in that respect.

With those few brief remarks, I ask the House to agree to the amendment.

Lords amendment 13 agreed to.

Lords amendments 14 to 21 agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

SOCIAL SECURITY

That the draft Child Benefit Up-rating Order 2010, which was laid before this House on 10 February, be approved. (*Mr Blizzard.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

SOCIAL SECURITY

That the draft Guardian's Allowance Up-rating (Northern Ireland) Order 2010, which was laid before this House on 10 February, be approved. (*Mr Blizzard.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

SOCIAL SECURITY

That the draft Guardian's Allowance Up-rating Order 2010, which was laid before this House on 10 February, be approved. (*Mr Blizzard.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

TAX CREDITS

That the draft Tax Credits Up-rating Regulations 2010, which were laid before this House on 10 February, be approved. (*Mr Blizzard.*)

Question agreed to.

FINANCIAL ASSISTANCE TO INDUSTRY

Ordered,

That the Motion in the name of Mr Pat McFadden relating to Financial Assistance to Industry shall be treated as if it related to an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees) in respect of which notice has been given that the instrument be approved. (*Mr Blizzard.*)

Wi-fi (Swindon)

Motion made, and Question proposed, That this House do now adjourn. (*Mr. Blizzard.*)

8.19 pm

Anne Snelgrove (South Swindon) (Lab): I am pleased to be able to bring this debate to the House, as it covers serious questions about Swindon borough council and its wi-fi scheme. In November 2009, the council announced an initiative with two newly formed Swindon-based businesses, Digital City (UK) and a London-based and Isle of Man-registered company, aQovia. It was an ambitious project that would deliver a limited free internet link to all who signed up, alongside three paid packages aimed at businesses, homes and roving users. A third company, Avidity Consulting, is also involved in the initiative.

I want to ensure that it is understood that the issue under debate today is not wi-fi itself but probity. The debate is about the behaviour of ruling Conservative councillors and, as a consequence of that, the behaviour of officers. It is also about accountability to the public and the lack of effective scrutiny procedures at Swindon borough council.

I am grateful to my constituents, and those of my right hon. Friend the Member for North Swindon (Mr. Wills), who have spent many hours investigating Digital City and its connections with the council. They have provided a good deal of the factual information that I will be putting forward today. I thank Geoff Reid and members of the Talkswindon website, particularly the blogger known as Komadori, and Chris Watts, a local businessman whose involvement came about through his anger at the restrictive practices adopted by the council.

I wish to state clearly at the outset that I support universal internet access, innovation and local councils working with local businesses. However, neither I nor the Government support excessive secrecy, and I believe that Swindon borough council should have been open, transparent and prepared to engage with everyone on these issues. Sadly it has been exactly the opposite.

As the Prime Minister said this morning:

"Super-fast broadband is the electricity of the digital age....it must be for all – not just for some...We have already decided to commit public funding to ensure existing broadband reaches nearly every household in Britain by 2012".

In his speech, he gave details of how Labour will ensure that super-fast broadband reaches every home in the UK, creating thousands of new jobs in the process. Labour's plans will see universal access to broadband by 2012, with 90 per cent. of UK households having access to next-generation broadband by 2017.

Labour's support, and mine, for universal access to high-speed broadband, rather than a two-speed scheme as envisaged by Digital City, should not be doubted. Although that is the major issue, my constituents raise many other issues about the wi-fi project that damage that aspiration in their eyes, such as whether the best technology has been employed, the effect of the council's secretive deal with a newly established company on other, well established small and medium-sized enterprises in Swindon, and the health implications of a wireless network.

[Anne Snelgrove]

Swindon borough council has provided a loan of £450,000 on commercial terms to Digital City to enable it to create the wi-fi network across Swindon. In return for that loan, the council has received a 40 per cent. equity stake in the company. If the loan is repaid within two years, Avidity Consulting has an option to purchase 5 per cent. of the company's shares from the council for £1. Avidity already has a 25 per cent. stake in the company. The other shareholder is aQovia, which holds the remaining 35 per cent. of the company. Digital City intends to install wireless internet across the entire borough of Swindon. Both Digital City and Avidity Consulting were incorporated on 14 August 2009 as off-the-shelf companies. They became active on 21 and 22 September respectively and thus have a negligible track record. On 13 March 2009, aQovia was incorporated and it appears to have become active on 16 September, and thus it also has a limited track record.

According to a timeline produced for me on 19 March 2010 by the chief executive of the council, for which I am grateful, discussions commenced at officer level at the council on 19 January 2009 involving the instigator of the initiative, Rikki Hunt, and members of aQovia. According to the timeline:

"On 25th June 2009 Rikki Hunt presented an outline proposal to the Leader and various members of the Cabinet; this consisted of the business idea, the level of investment that was being sought and the potential level of return if the Council chose to invest. Subsequently, officers were asked to do some more detailed work in order for a funding proposition to be considered.

3rd - 10th July 2009 a financial plan and written outline business case was received from Rikki Hunt."

Following that, a decision was taken by Rod Bluh, the Conservative leader of the council, to deal with the proposal using a lead member briefing note. Crucially, that confined the formal consultation and decision making to two councillors only—the leader, Councillor Bluh, and the lead member for finance and benefits, Councillor Mark Edwards. Both those councillors subsequently signed a cabinet member briefing note in mid-October, following which officers were able to exercise substantial delegated powers. That meant that the proposals did not have to be discussed in committee at an early stage or voted on by a larger group of councillors.

The immediate consequence was that the councillors could ensure that officers were able to use council powers to the advantage of Digital City and the wi-fi project. For example, an earlier resolution made at full council specifically for rapid action to be taken on town centre regeneration was used to enable the loan of £450,000 to be made, which meant that the loan did not have to go through the normal council processes. The requirement for a credit rating of the companies concerned under treasury management rules was set aside, presumably because the companies were less than a year old and had no substantive credit history. Given the lack of a corporate track record, the decision by Swindon borough council was made

"primarily on the track record of the key individuals concerned and on the basis that risks and rewards would be fairly apportioned",

according to the minutes of the council scrutiny meeting on 14 December.

In a letter to me dated 4 March 2010, my right hon. Friend the Minister for Regional Economic Development and Co-ordination detailed the background of EU procurement directives that set out the legal framework, detailed procedures and criteria for the specification, selection and awarding of contracts above certain thresholds. She stated that

"even below these thresholds, the EU treaty-based principles of nondiscrimination, equal treatment, transparency, mutual recognition and proportionality apply."

She went on to comment that

"in most cases there should be a competitive procurement advertised".

Swindon borough council asserts that because the £450,000 was a loan, it is not subject to the normal procurement rules, despite its own shareholdings in Digital City and place on its board. However, the council is using EU competition rules to prevent our local dial-a-ride from competing for council contracts to carry the disabled, and other councils, including Norfolk county council, have published a tendering process for their wi-fi networks.

The cosiness of the relationships of those involved, and the lack of external scrutiny while they were being set up, should alarm all who are interested in local government probity. At the very least, it calls into question the judgment of those concerned, who should have been well aware that they would be called to account, and that they therefore needed to put extra safeguards in place to protect themselves from suspicion as their roles cross over so many times. At worst, it obfuscates actions which gamble public money in untried companies with inexperienced and naive directors, who had no sustainable business plan and were unprepared to answer serious and searching legitimate questions from other elected members as well as local people.

I shall quote at length from the important timeline that the chief executive of Swindon borough council provided for me—I remind the Minister that the document from which it is taken is dated 19 March 2010. It states, under "conflict of interest":

"It came to light that an officer involved with this project had been registered as a Director of Digital City (UK) Limited since September 2009. He was unaware of this. He had pre-signed but not dated a registration document during the preparatory phase of this project and this was highlighted to colleagues at the time. The signed form was held by Digital City (UK) Limited, on the understanding that this was a contingency measure to be invoked if required and if agreed by the Council. The registration was sent off in error by Digital City (UK) Limited and they have apologised to the officer for this. The officer asked to resign from the Board of the company as soon as this came to light and this was effected on the 11th March 2010. He is no longer a Director of Digital City (UK) Limited. At no time did the officer receive any communication from Digital City (UK) Limited stating that he was a Director of the company nor did he receive any remuneration or any other consideration from Digital City (UK) Limited. There have been no Board Meetings of Digital City (UK) limited. This officer has, however, participated, with other Swindon Borough Council colleagues, in regular project and progress meetings."

I have quoted that at length because it contradicts two other sources of information sent directly to me. The first is a letter to me dated 28 January 2010, again from the chief executive. In response to my question in a letter about the council's involvement in the day-to-day running of Digital City, it states:

"This is an arm's length arrangement: we hold shares in Digital City and there is governance in place that allows us to protect the Council's interests; we have a Director on the Board".

That contradicts the 19 March briefing note to me, which implies no knowledge of the officer's appointment to Digital City's board on 26 September 2009. Despite

the chief executive's reassurances, the officer concerned was one of the authors of the briefing note to Councillors Bluh and Edwards written two weeks after he had become a director on 12 October 2010. The briefing note recommended providing the loan of £450,000 to Digital City and I am sorry to say that his directorship was not disclosed.

The second source of information is a letter from Rikki Hunt dated 2 March 2010. In response to my question about who sits on the board of Digital City, he replied:

"As well as myself, the two other board members are Hitesh Patel, a Director of Swindon Borough Council and Mustafa Arif, a Director of aQovia".

although there is no record at Companies House of Mr. Arif being a director. Anecdotal evidence also suggests that officers and councillors referred to the officer's appointment to Digital City's board on several occasions. In addition, the officer himself was clearly aware that he was a director of Digital City, as he apparently self-publicised the fact for five months via his LinkedIn profile. I can conclude only that when it was advantageous for the council to have an officer on the board of Digital City, it publicly claimed that that was so, but as soon as the matter became too hot to handle, it found a way of disposing of the board membership.

Several questions arise about the robustness of Swindon borough council's contract with Digital City.

Bob Spink (Castle Point) (Ind): The hon. Lady is a caring and assiduous constituency Member of Parliament, who works hard for her people in Swindon. Does she feel that the cabinet system that she describes allows a small number of councillors to become cosy and close to senior officers in a council, and that that enables such circumstances to develop, when a more traditional cabinet system would give more councillors more information and prevent such things from happening?

Anne Snelgrove: I understand the hon. Gentleman's concerns. The problem has been the process. I think that sufficient safeguards exist, but the cabinet member brief brought about all the secrecy. That is my concern—it is a very unusual process. The hon. Gentleman gives me an opportunity to say that I have a high regard for the officers and particularly the chief executive of Swindon borough council. I believe that the ruling Conservative group has placed pressure on those officers. Even if all seats are won by opposition parties at the local elections in May, that group will still be in power in Swindon. That is a difficult situation for officers to combat.

As I was saying, a number of questions arise about the robustness of Swindon borough council's contract with Digital City. Does it reflect the council taking on what appears to be 100 per cent. of the risk? That question is relevant if wi-fi does not succeed in attracting sufficient customers in a crowded market, because £450,000 of taxpayers' money will be lost. If wi-fi succeeds, will the contract bring the council sufficient rewards, or does the larger proportion go to the individuals behind the recently set up companies Digital City and aQovia? That should be subject to the council's scrutiny process, but it is impossible for me, my constituents or councillors of any party not involved in that enterprise, including the ruling Tory party, to find out, because the council determines that such questions are for Digital City—not the council—to answer. Digital City has provided basic information, but it cannot be tested through the normal democratic process, thus disfranchising councillors, MPs and their constituents.

No opposition councillor has had sight of the contract or the business plan, but at the beginning of this month the company had sold only five packages, rather than the 100 private-use packages and 25 business packages in the original loan conditions, and it had not managed to attract any private sector investment. It is clear from the cabinet briefing paper of 10 March 2010 that there had to be a significant downgrading of the original progress measures to allow the council to agree to the release of the second phase of the loan—£150,000.

Although that was agreed by the cabinet, in an unprecedented move last week's scrutiny committee meeting at the council referred the decision back to the next cabinet meeting on 31 March. I sincerely hope that the cabinet does the right thing and delays any further allocation of taxpayers' money until a full cross-party investigation can be carried out into the actions of councillors and officers—I mean an internal investigation, with councillors from the Tories, Labour and Liberal Democrats, and independents, who I am sure would be welcome. The robustness of the business plan and the loan agreement terms also need investigating, as does the lack of a tendering process, which gave an advantage to one company over others.

The technology used by Digital City is a wireless network with signals sent from boxes attached to council-owned lamp posts throughout Swindon. For that, Digital City needs planning permission and an electricity supply for the planned total of 1,400 boxes, which one of my constituents estimates will cost approximately £35,000 per annum. It is not clear whether Digital City or Swindon borough council will bear the cost. That is old technology, and whether it will produce the speeds quoted by Digital City remains to be seen, but there is scepticism that it will consistently provide speeds of 20 megabytes, which are crucial for wide take-up. Those who sign up for free wi-fi will not have access to the fastest speeds, creating the kind of two-tier network that was criticised by the Prime Minister in his speech today.

Digital City relies on Swindon borough council's connections, which I understand must be upgraded to take that into account at a cost of approximately £45,000. Although there is nothing wrong—in fact, it is good—with councils increasing their internet capacity, the issue is one of openness and transparency, because of the cost to taxpayers and the potential commercial gain by Digital City, which is not required to provide expensive infrastructure.

There are many opportunities for IT companies to provide digital access for Swindon homes, and we already have one of the highest take-ups in the country. It is a very crowded marketplace, with some of the largest companies in the country competing with small local businesses: our newest housing estate, Wichelstowe, provides fibre optic connections to all homes for both television and internet access; the Toothill estate in west Swindon is one of BT's pilot areas for comprehensive and very fast fibre optic connection; and an international company with headquarters in Swindon is upgrading its internet signal and considering making free wi-fi available after office hours within a 20-mile radius of its building.

[Anne Snelgrove]

I welcome those initiatives, because they promote social inclusion and ensure a marketplace for my constituents that will keep prices competitive and offer a wide choice.

However, the entry into the marketplace of a council-backed company—effectively, it is publicly subsidised—will have a detrimental effect on small and medium-sized IT companies in Swindon. Several local companies have raised considerable concerns with me, particularly about the lack of opportunity to tender for the business and the loan given to Digital City during the worst recession for many years, when most SMEs were finding it impossible to get loans at a decent rate of interest, especially brand-new companies without a track record. Had Digital City gone instead to a high street bank for a £450,000 loan on the evidence of its business plan and ropey marketing strategy, I imagine it would have been laughed off the premises. The rate of interest on the loan has not been disclosed. As I said, it has been described as a loan on commercial terms.

In addition to the loan, Digital City has been given council premises for its headquarters at no cost to the business, and free access to council officers' time and advice. Councillors and officers claim that the council premises have no value and Digital City would enhance the offices, but that is at odds with the cabinet member briefing note of 12 October 2009, which states:

"The space will be made fit for office occupation and this cost will be met through the existing corporate repair and maintenance budget."

This is a massive subsidy, as all small businesses will know that start-up office costs are a big initial outlay for new ventures. In addition, the briefing note acknowledges that Digital City will need to install wireless boxes on council-owned lamp posts and states, in advance of any discussion at planning committee:

"The Council will also grant Digital City licences to install equipment at a number of its facilities across the Borough. Discussions are continuing around the possible need for Planning permissions to be granted."

Again, any business that has had dealings with council planning departments will know what a massive commercial advantage the automatic granting of licences gives, alongside officer help through the planning process if needed.

Swindon borough council, unlike Essex county council, does not have a small loans scheme for local businesses, so there are no opportunities for other SMEs in Swindon to take advantage of a council loan in the way that Digital City has. While Swindon borough council states that the loan is at "commercial rates", there is no evidence of what these rates are and how they compare to what was being offered to similar SMEs last year, when interest rates averaging 15 per cent. and secured against their own homes were being quoted to my constituents. Was this a condition the council set for the directors of Digital City? I very much doubt it.

There is no question but that all this provides Digital City with an unfair advantage in a crowded market. To state in a response to my constituent Chris Watts, a local businessman, that

"the council hasn't spent any cash on this, only officer time",

is to be economical with the truth and insulting to small businesses in Swindon. Until this venture was announced in November last year, Swindon borough council's interest in providing free internet access across the borough was not apparent from its published strategies and appeared, at most, a long-term aspiration. Other providers of this service have thus been excluded from bidding to offer a similar service.

A number of constituents have raised their concerns about the protection of communities from radiation hazards, including those associated with wi-fi communications systems. I am assured by the Department of Health that there is to date no consistent evidence that exposure to radio waves adversely affects the health of the general population, although the Independent Advisory Group on Non-Ionising Radiation is currently reviewing radio frequency exposures, including those from wireless networks. The Health Protection Agency considers it sensible to adopt a precautionary approach to the use of any new technology.

Had the borough council been better prepared, it could have prepared information in advance for residents. In fact, the lack of information available for residents on any issue relating to wi-fi is quite breathtaking. A question asked by an opposition councillor about the provision for a family to object to a transmitter being located level with and 6 feet away from their child's bedroom window has not been answered by the council. Because of the secrecy surrounding the project, a mature debate on this subject has been impossible and it was left to me to provide information to residents.

I deal now with the relationship between Swindon borough council officers, councillors from the leading Conservative group and the directors or owners of Digital City, aQoviaand Avidity Consulting. Underlying concerns about the lack of competition is the possibility that the individual behind this venture, Rikki Hunt, may have had access to privileged information that gave him an unfair advantage when putting his proposition to the council. Mr. Hunt is the chair of Swindon Strategic Economic Partnership. Until the end of 2009, he was also a non-executive director of Swindon Commercial Services Ltd, which is Swindon borough council's direct services company and the main contractor to Digital City for installation and maintenance of its wireless network. That would have given him access to senior councillors and council officers and, potentially, access to commercially valuable information not available to competitors.

It has been too easy for those concerned to hide behind various companies and to deny the public access to the full facts, yet the public are paying for those companies' activities and the directors are, as far as I can ascertain, accepting no liability. By virtue of his close association with Swindon borough council, Mr. Hunt may have been in receipt of privileged information in relation to the council's plans for widening access to the internet, as well as those of the economic partnership. As a consequence, it is possible that a conflict of interest could arise in his company's approach to the council, as covered by section 175 of the Companies Act 2006, under which a director has a duty to ensure that they avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the company. The information made available to the public by Swindon borough council provides insufficient evidence that no such conflict has arisen or that the council made efforts to assure itself that such a conflict had not arisen.

There has been considerable interest in the scheme from councils across the country—and, indeed, some councils from abroad—which is why we should look carefully at the business plan and the public service model offered. As I have said, rolling out internet access to the whole population is a good idea. The Government have stated so on numerous occasions and in various publications, and today the Prime Minister took that support further, giving Martha Lane Fox a role in co-ordinating the Government's digital activities. It is right that councils should be involved, but plenty of other good ideas have gone bad when people seek a commercial advantage through councils. We know what happened in the past when over-close relationships developed between councillors, council officers and property developers.

It has been suggested by Conservative councillors, including the leader of the council, that anybody who asks questions or raises concerns—or, indeed, anybody who even reports these in the local press—is working against an excellent initiative and against the interests of our town. That attitude worries me considerably. Asking pertinent questions is a legitimate activity in a healthy democracy. Probing questions should be welcomed, not pushed to one side or deflected by smokescreens. The job of elected members is to explain and promote their policies. They should not be secretive or defensive about that, nor should they abuse their position with officers. What has happened is a failure of the political process, and whatever errors of judgment have been made, officers must not be made convenient scapegoats. The scheme arose from discussions among councillors.

It is an irony that the internet has provided access to much of the information that I have detailed in this debate. Talkswindon members have sifted through council documents and company documents that are available online, and although it still took dedication and time to find the relevant information, that was a matter of days and weeks, rather than the months and years that it used to take.

Although I do not believe that there has been corruption on the part of officers, the process put in place at the behest of Conservative leaders of the council lays open the possibility of future corruption. I repeat my plea to the cabinet to delay any further allocation of taxpayers' money until a full cross-party investigation can be carried out into the actions of councillors and officers. The hon. Member for Meriden (Mrs. Spelman) is quoted on Digital City's website as saying:

"We want to see a flowering of this all over the country".

My message to her is that she and her party's councillors need to have much more probity before they rush headlong into schemes that have the potential to waste hundreds of thousands of pounds of taxpayers' money, disadvantage small businesses and threaten the reputations of local councils.

There are still serious questions to be answered. Did this sorry mess come about because leading Conservatives wanted to keep the initiative secret, not just from opposition councillors, but from members of their own group, in case it was scuppered at an early stage owing to the flimsy business plan, or because they were scared that credit could be claimed by others? Although the blame lies squarely at the door of leading Conservative councillors who insisted on secrecy, were council officers unable or unwilling to challenge the Conservative group, which will still be in power on 6 May? Did officers insist on one of their own number sitting on the Digital City board because they were concerned about the closeness of Mr. Hunt to councillors and the council processes, and did they recently realise that this decision would instead compromise them and therefore decide to run a mile from it? What safeguards are now in place to protect taxpayers' money and ensure a level playing field for the small businesses in Swindon? I hope and trust that my hon. Friend the Minister will help me get some serious responses to those pertinent questions.

8.50 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Barbara Follett): It is a pleasure to respond to this debate, introduced by my hon. Friend the Member for South Swindon (Anne Snelgrove). I congratulate her on securing this opportunity to discuss her concerns about the way in which Swindon borough council introduced borough-wide wi-fi. As she knows, local authorities act independently of central Government, and Ministers such as I have no remit to intervene in their day-to-day affairs, except when specific provision has been made by Act of Parliament. However, local authorities are accountable to their electorate for their actions. If a member of the public suspects fraud, corruption, or misuse of public money, they should contact the appointed auditor for that authority. If a member of the public believes that the council has acted illegally or not in accordance with its constitution, they should contact the authority's monitoring officer. Despite the limitations on central Government intervention, measures are in place to secure local intervention.

The fact that Swindon is working with the private sector to make the town the first in the UK to provide free wi-fi internet access for all its residents has been widely reported in the press. That is a good aim, and may have replaced Swindon's magic roundabout as an identifying feature of the town. The challenges of the current recession make it even more important that successful partnership works to make effective use of public money, and that available resources are deployed as efficiently and transparently as possible to pursue local priorities.

The concerns expressed by my hon. Friend are primarily about the procurement process and the decision-making aspects of the project. They include the way in which the council handled the wi-fi zone roll-out in Swindon; the pilot scheme that was set up with Digital City UK, a company that started with a £450,000 loan from the borough council; the transparency of the decision-making process as only three councillors were involved in the agreement; the fact that a council employee is a member of the company's board; the fact that taxpayers' money seems to be at risk because the business risk does not seem to have been underwritten; and the lack of information on wi-fi, especially its effects on health, which are, hon. Members know, a cause of great concern.

Finally, my hon. Friend said that wi-fi is not necessarily the best solution for delivering broadband to any community, let alone excluded ones. In a city area, it may be difficult for wi-fi to penetrate housing, especially if the walls are thick and were built in Victorian times. Wi-fi is unlikely to support next-generation access speeds, so it may be quickly superseded by cable and fibre-optics, and wi-fi speed suffers as more people use it—the

[Barbara Follett]

contention ratio. All in all, there are many concerns about the way in which Swindon borough council went about the provision of that laudable item, and about the research it carried out.

I shall now outline the Government's established policy on procurement to clarify the matter for my hon. Friend. Our policy is that public procurement should be based on value for money, having due regard to propriety and regularity. The European Union's procurement directives set out the legal framework, detailed procedures and criteria for the specification, selection and award of contracts above certain thresholds. Even below those thresholds, the EU treaty-based principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality must apply. The EU procurement directives and implementing regulations enforce EU rules on transparency, free movement of goods and non-discrimination. They require that, in most cases, there should be a competitive procurement advertised across Europe.

Subject to their legal duties—including the duty of best value—and to public procurement law, local authorities are responsible for taking their own procurement decisions. The duty of best value, as laid down in legislation, requires authorities to make arrangements to secure continuous improvement in the way in which they exercise their functions, having regard to a combination of economy, efficiency and effectiveness. Any specific complaints that best value is not being met in a particular set of circumstances would need to be addressed in the first instance to the authority's external auditor. I stress again that Ministers have no ability to intervene in individual procurement decisions made by local authorities. Local authorities need to satisfy themselves that any aid provided by them does not contravene the European Commission's prohibition on the granting of state aid and that it meets the requirements of competition law.

I shall turn now to the audit and inspection of local authorities. Systems are in place to assess and audit decisions made by local authorities. Auditors perform an annual audit of financial statements. However, they also have wider responsibilities to review and report on whether an audited body has made proper arrangements for securing value for money, economy, efficiency and effectiveness in its use of resources. The auditors are obliged by the code of audit practice, which is approved by Parliament, to consider whether any representation or information that they receive needs investigation or action under their specific powers. They must consider whether to make a public interest report under section 8 of the Audit Commission Act 1998 on any matter that they judge should be considered by the audited body or brought to public attention. I am dwelling on these specific matters because some of the issues that my hon. Friend has raised could possibly be addressed through these means, if members of the public felt that they should be.

Those external auditor assessments of value for money in the use of resources feed into the performance framework for local services for all outcomes secured by local authorities working alone or in partnership. Such a partnership is known as the comprehensive area assessment. The CAA use of resources assessment considers how well individual public bodies manage and use their resources to deliver value for money and better sustainable outcomes for local people. The assessment focuses on the importance of sound, strategic financial management, strategic commissioning, good governance and the effective management of natural resources, assets and people.

My hon. Friend has raised several points about governance in the council, particularly in regard to the transparency of the process for decision making and to the fact that an employee of the council was and is a member of the company board. My understanding is that Swindon borough council operates a leader and cabinet model, made up of the leader of the council and a cabinet of up to nine councillors to whom the leader allocates portfolios. The cabinet makes decisions in line with the council's overall policies. If it wishes to make a decision that is outside the budget or policy framework, this must be referred to the council as a whole to decide. To speed up decision making and to allow the cabinet to concentrate on major matters, members have the delegated power to make day-to-day decisions in relation to areas within their portfolio. However, specific questions about an individual decision would have to be addressed to the council.

One issue raised by my hon. Friend was how just three councillors can make a decision that affects the whole authority. Sadly, once again, it would be inappropriate for me to comment on an individual case. However, in terms of governance, there are times when it could be appropriate for decisions to be made without the participation of the full council. However, the council's particular decision-making process will be outlined in its constitution.

A further issue was whether there is a conflict of interest when a council employee is a member of the board of a company—in this case, the wi-fi company. Again, it is not appropriate for me to comment on an individual case. However, it is reasonable to expect councils to have in place mechanisms to deal with conflicts of interest such as that one, because employees may live in the authority and use its services, so they may have to come to decisions on matters that have a material effect on them and their lives.

Anne Snelgrove: Does my hon. Friend mean that councils should have a policy on this—a published policy on issues, such as council employees being directors and conflicts of interest, to which members of the public could have access?

Barbara Follett: I think authorities should have in place robust mechanisms for dealing with conflicts of interest and for advising staff on how to behave when they arise. In an ideal world—I do not know whether this is a duty, but I can write to my hon. Friend about it—councils should have the rules made accessible to members of the public either in a printed form or on their websites.

In summary, complaints about value-for-money decisions should be addressed to the authority's external auditor and concerns about the propriety of decisions and decision-making processes should be addressed to the local authority's monitoring officer.

It is unfortunate that the circumstances of the setting up of this project have caused comment, since the Government strongly support increased access to internet services and are committed to ensuring that virtually

everyone in this country, including those living in rural areas, has access to a good level of broadband. It is important not to lose sight of that in the specific concerns raised about the Swindon project. I am glad that my hon. Friend emphasised that the Prime Minister said today that broadband is the electricity of today. Indeed, it is; it will make a huge difference to our country's economy and the lives of the people who live here.

As I have explained, central Government have no ability to intervene in the decisions that have been made by Swindon council or in respect of the manner in which those decisions were taken. These are matters that need pursuing locally and I hope my hon. Friend is able to secure answers to the questions she has posed.

The Swindon project should present an exciting opportunity to boost the local economy and regenerate parts of the borough by giving people, especially those in disadvantaged communities, a chance to access and use technology and share the benefits that it can bring. However, the questions that my hon. Friend has posed about the project and the process that has been followed are very important. It is in the council's interest to provide satisfactory answers to those questions, and to make transparent the way in which decisions have been made. Then, and only then, will residents' concerns be laid to rest. I sincerely hope that Swindon council will provide those answers, and that the project can then proceed to bring the benefits that my hon. Friend and the Government wish it to bring.

Question put and agreed to.

9.6 pm

House adjourned.

House of Commons

Tuesday 23 March 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

KENT COUNTY COUNCIL (FILMING ON HIGHWAYS) BILL [*LORDS*]

Bill read a Second time and committed.

Oral Answers to Questions

JUSTICE

The Secretary of State was asked—

Short Custodial Sentences

1. **David T. C. Davies** (Monmouth) (Con): What recent assessment he has made of the effectiveness of short custodial sentences in reducing reoffending. [323384]

10. **Mr. Douglas Carswell** (Harwich) (Con): What recent assessment he has made of the effectiveness of short custodial sentences in reducing reoffending. [323393]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): Overall, the reoffending rate for all adult offenders went down by 15.9 per cent. between 2000 and 2008, and by a greater margin in respect of juvenile offenders. However, there is a problem, which I readily acknowledge, in respect of short-sentence prisoners, among whom the reoffending rate increased in the same period by 3.9 per cent. Those persistent offenders tend to be the most intractable to deal with, having failed on community punishments and failed to deal with their alcohol and drug abuse. The courts, police and National Offender Management Service are putting great effort into directing more of these offenders from crime, including through intensive alternatives to custody, "through the gate" supervision and better management of offenders, which is being piloted in the integrated offender management projects. Those measures are all helping to shape an improved strategy for short-sentence prisoners. In addition, last week I announced a very important initiative with the organisation Social Finance in respect of Peterborough prison, where social investors are to be paid by results to get reoffending down.

David T. C. Davies: I thank the Minister for that comprehensive reply. Does he agree that the ineffectiveness of short custodial sentences, which we both agree about, is not remedied by saying, "Let's not send people to prison at all"? It would be remedied far better by looking at the reoffending rate for those with long sentences, which is much lower, and by ensuring that people are kept in prison long enough to address their problems with alcoholism, drugs and lack of education.

Mr. Straw: The Government are the last people to suggest that people should not be sent to prison when the courts require it. One of the main drivers of the 25,000 increase in the prison population since 1997 has been that the courts, quite correctly, have been sending more people to prison and for longer. As for getting the prison population down, the hon. Gentleman should direct his remarks to those on his own Front Bench. It was, after all, the shadow Justice Secretary who said that if he could get back to the prison numbers that existed in 1993—44,000 rather than 84,000—he would have succeeded, and that he would be very happy to have that engraved on his tombstone. I think that it would be rather more of a political tombstone were he to try that. The people in prison need to be there, and what we must do is make more effective use of short sentences.

Mr. Carswell: Many of those given short custodial sentences often have drug addiction issues. Would it not help to reduce reoffending if non-statutory organisations, charities and non-state players were given a greater role in helping to tackle drug addiction, both inside prison and when prisoners come out?

Mr. Straw: I entirely agree with the hon. Gentleman. As has been brought out by the excellent Public Accounts Committee report that came out recently, most of those persistent offenders have drug and alcohol abuse problems. We have increased by 15 times the amount of money spent on drug abuse and better education about drugs in prison, and as the hon. Gentleman might know, we are making much more use of voluntary organisations. Obviously, they have to enter into proper contracts with the state.

Ms Dari Taylor (Stockton, South) (Lab): My right hon. Friend mentioned that the Government are pursuing intensive alternatives to custody. Will he tell the House what effect that approach is having in reducing reoffending?

Mr. Straw: The emerging evidence from the evaluations in the six areas where intensive alternatives to custody are being piloted suggests that they are significantly reducing reoffending. I have seen one of them in operation in Derby. There is no doubt that if they are properly planned and executed they can effectively force offenders to face up to the reasons why they are offending, and can establish strong discipline on them in the community. If that works, it is all to the good.

Mr. Dominic Grieve (Beaconsfield) (Con): The Justice Secretary failed to point out that the goal to which I aspire on prison numbers is matched by the goal of reducing crime.

Statistics published last week show that the reoffending rate among those subject to drug rehabilitation requirements is even higher than that among those who serve short prison sentences—although those two groups are often the same people. Does the Secretary of State accept that maintaining offenders on methadone is a counsel of

failure, and will he give courts the power to impose abstinence-based drug rehabilitation orders to help offenders—with short sentences and long—to give up drugs once and for all?

Mr. Straw: The hon. and learned Gentleman highlights the fact that the group consisting of short-sentence prisoners is the most intractable to deal with. That is accepted in the round, and a great deal of work is going on to get them away from crime. Some of the "through the gates" work being done in London with the St. Giles Trust and the Metropolitan police has been excellent. Key challenges include ensuring that people are not offending—not when they are in prison, where, on the whole they cannot, but from the moment they leave prison—and dealing with their incredibly chaotic lives. He is really talking about the same thing. The prescription of methadone has to be a medical matter. Simply taking people off any kind of drug on which they are dependent when they are not ready for that will not resolve anything. However, we do have drug abstinence programmes in place.

Mr. Grieve: But is it not small wonder that prisoners coming off short sentences are more likely than not to reoffend, given that, despite the "through the gates" programmes, the delays in assessing prisoners mean that most do not even undertake rehabilitation work until halfway through their sentence—and there is then wasteful duplication of assessments—and also given that up to half of prisoners spend almost all day in their cells?

Mr. Straw: The hon. and learned Gentleman draws attention to the findings of a National Audit Office report to which I have already referred, which shows that there are some excellent practices and some less than excellent practices in prisons. We are committed to responding very quickly to such issues—a response that includes improving the time that it takes to assess prisoners, as he suggests.

Retail Crime

3. **Miss Anne McIntosh** (Vale of York) (Con): How many people have been prosecuted for offences related to retail crime in the last 12 months. [323386]

The Parliamentary Under-Secretary of State for Justice (Claire Ward): The Ministry of Justice's court proceedings database does not hold information on offences beyond descriptions in the statutes under which prosecutions are brought. However, I can tell the hon. Lady that convictions for shoplifting rose by 9 per cent. and that some 45,600 penalty notices for disorder were issued for retail thefts under £200 in 2008. The Government take crime against businesses very seriously, and we are firmly committed to working to find effective solutions and responses to crimes against businesses.

Miss McIntosh: I thank the Minister for that reply, but it is a load of twaddle. That 9 per cent. increase, those 45,000 offences and the police computer system that does not recognise multiple offences are the legacy of the Labour Government. The Conservatives will do better.

Claire Ward: It would be very interesting to see how the Conservatives would do better, given that they want to tie the hands of the police and crime enforcement officers in relation to many of the measures that we are using effectively, such as those involving DNA and CCTV. Perhaps the hon. Lady should talk to her Front-Bench team and her party leader about changing their policy if they really have a strong message on crime.

Miss McIntosh: That was a highly inappropriate answer, Mr. Speaker, and I should like to withdraw, and beg leave to introduce an Adjournment debate on this issue.

Mr. Speaker: Order. I am grateful to the hon. Lady, but in any event I am intending to move on to the next question.

Reoffending

4. **Sandra Gidley** (Romsey) (LD): What recent representations he has received on policies to reduce levels of reoffending. [323387]

The Minister of State, Ministry of Justice (Maria Eagle): The Government receive a wide range of representations on policies to reduce reoffending, ranging from regular meetings with front-line staff, sentencers and third sector organisations to the detailed consideration of more formal reports from parliamentary Committees or external bodies such as the National Audit Office.

Sandra Gidley: The NAO's report of two weeks ago revealed that reoffending by people released from short-term prison sentences is costing £10 billion a year. We seem to be supporting colleges of crime. Is it not time for some serious research into what works to reduce reoffending, perhaps through something analogous to the National Institute for Health and Clinical Excellence—a NICE for the Ministry of Justice?

Maria Eagle: It is always difficult to get the balance right between researching into problems and spending money on actually dealing with them. We prefer to spend money on dealing with problems, and that is working. Reoffending has gone down: since 2000 the reoffending rate has reduced by 15.9 per cent., crime is down by 36 per cent. and violent crime is down by 41 per cent. There are 6 million fewer crimes a year than in 1995 and the chances of being a victim of crime are at their lowest since records began in 1981. That is a record of which we are proud.

Julie Morgan (Cardiff, North) (Lab): I know that the Minister is aware that women who offend often have multiple problems such as alcoholism and substance abuse. Does she agree that by addressing those problems through mentoring schemes such as those in the Women's Turnaround project in Cardiff, which has recently benefited from another Government grant, we will reduce reoffending?

Maria Eagle: I accept my hon. Friend's point. I, too, commend the work of Women's Turnaround in Cardiff, which I have visited and for which, as she rightly says, the Ministry of Justice provides some funding. The project does excellent work in tackling the causes of offending among women who often end up serving short sentences, and whose life situations worsen because of those short sentences, rather than their being able to tackle the cause of their offending.

David Howarth (Cambridge) (LD): I will not repeat what I normally say on these occasions about the crime rate falling throughout the whole of the western world since the mid-1990s, but I am encouraged by the tone of both the Secretary of State and the Minister on the issue of reoffending. May I ask them to commit, in the forthcoming election campaign, to sticking to evidence about what works, instead of the debate in the campaign descending to the usual arms race that harms victims of crime in the long run, and undermines the political system in this country?

Maria Eagle: The victims of crime in this country want crime dealt with effectively, which means not only protecting the public by locking up serious and dangerous offenders—who ought to be locked up—but enabling people who are in prison to tackle the causes of their offending behaviour. We do both, and it is a record on which we are proud to stand.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): The Minister will be aware that a lot of persistent reoffenders have low educational achievement, which in turn is often the result of speech and language difficulties from an early age. I draw my hon. Friend's attention to work done by the Royal College of Speech and Language Therapists and other interested bodies on screening tools that could deal with that issue and provide more support in prisons to address the problem.

Maria Eagle: My hon. Friend is correct: low educational attainment is one of the factors that can cause crime and reoffending, which is why we have trebled the amount we spend on offender learning in our prisons to £175 million over the current three-year period. That has led to 36 per cent. of those leaving our prisons going into education, training or employment. The figure is not high enough, but it is an awful lot better than it was. My hon. Friend is correct to say that we need to be aware of issues such as learning disability that may prevent prisoners from accessing the support and help that exists. We are getting better at remedying that.

Alan Duncan (Rutland and Melton) (Con): As the Minister has just implied, good education courses in prison can indeed dramatically reduce reoffending, but can she explain why the Manchester College was awarded further contracts to run education services in prisons, only to announce soon afterwards that it needed to make more than 300 people redundant? Given that the college seems to have massively overreached itself, on what basis was it awarded the contracts, and what responsibility does the Minister take for this rather sad and hopeless state of affairs?

Maria Eagle: The procurement of services such as education in prisons is conducted in a proper manner, in accordance with EU regulations and the laws of this nation. There is no doubt about the fact that the college was properly awarded the contract. I cannot comment on the circumstances that the hon. Gentleman refers to—the college's internal arrangements, and how many people it does or does not employ. That is a matter for the college, but the contracts it has undertaken with us have been properly procured and carried out to a proper standard.

Service Personnel (Voting)

5. **James Duddridge** (Rochford and Southend, East) (Con): What steps the Government are taking to ensure that service personnel serving abroad will be able to vote in the forthcoming general election. [323388]

11. **Mr. Mark Harper** (Forest of Dean) (Con): What steps the Government are taking to ensure that service personnel serving abroad will be able to vote in the forthcoming general election. [323394]

The Minister of State, Ministry of Justice (Mr. Michael Wills): For registration, we have extended the period for service declarations to five years, and the Electoral Commission is leading a drive to increase registration, including providing bespoke registration forms for service personnel in Afghanistan. Proxy votes are available to all registered service personnel serving overseas, and we are also offering a bespoke scheme to expedite postal voting in Afghanistan. For the longer term, we are consulting on measures to provide a comprehensive solution. I have written to Opposition parties asking them to sign up to that commitment on a cross-party basis.

James Duddridge: Sadly, that is too little, too late. Given that the working group was set up in January, why has it not yet reported, and can the Minister confirm that a working group set up in January will have no impact whatever on the next election?

Mr. Wills: I am sad that the hon. Gentleman, for whom I have a great deal of respect, has his facts wrong in almost every particular. The working group was not set up in January; it was set up last autumn. The hon. Gentleman should not take his information from what he reads in the papers; they are not always right. In this case they are wrong, and he was wrong to quote them. I am sorry that he thinks what we have done is too little, too late—and I am trying to recall all the letters he has written to me about this issue in the past, but I am afraid I cannot recall any. In fact, the Opposition were, sadly, silent on the subject until I started work on it. *[Interruption.]* I am afraid the record speaks for itself, and it is quite clear. I am happy to show it to any hon. Member who wants to approach me afterwards. *[Interruption.]* As Opposition Members well know, I have tried to approach the matter on a cross-party basis. It is important for all Members of the House to do everything they can to expedite postal voting for those who want to use it, and to ensure that every member of the armed services is registered to vote. That is the work that we are undertaking. The working party has reported, and if the hon. Gentleman knew what his Front-Bench team know, he would know that I wrote to them a few days ago asking them to support the work proposed by the working group.

Mr. Speaker: Order. Replies, though comprehensive, are rather long. We need to speed up a bit.

Mr. Harper: My constituent, Corporal Stephen Thompson, who, sadly, was killed in Afghanistan a couple of weeks ago after having volunteered to serve in 3 Rifles Battle Group, was serving his country and protecting democracy in Afghanistan. It is very important,

therefore, that servicemen in such a position are able to vote. The Minister said that he would put in place for this election a bespoke postal voting service. Can he assure the House that all the votes of service personnel serving in Afghanistan who use that will get back to their constituencies to count for this election? At the last election, only 28 per cent. of service personnel were able to vote.

Mr. Wills: I am grateful to the hon. Gentleman and I am sure the whole House wishes to express its appreciation of the sacrifice that his constituent made. It is fundamentally important that we all do everything we can, for exactly the reasons that the hon. Gentleman set out. I can assure the House that we have better arrangements for postal voting in this election than we had in previous elections. It is worth reminding the House that every member of the armed services can vote by proxy, should they so wish, and there is no doubt about that vote being registered. But as the hon. Gentleman will know, there are service personnel operating in extremely difficult and arduous circumstances in Afghanistan, often in remote areas. We are doing everything we can to get the ballot forms out as quickly as possible and back as quickly as possible. There will be a significant improvement. I cannot guarantee that every one will be able to be counted, but we are doing everything we can. For the future—this is important—we are now looking into how we can move to electronic voting for the next general election, and we want to get support for that. It is very complicated and will involve huge changes to electoral law. We want to move together on an all-party basis. This will sort the matter out once and for all, and we hope we will have the hon. Gentleman's support in doing so.

Derek Twigg (Halton) (Lab): When I was Under-Secretary of State for Defence, a great deal of effort went in, with the Ministry of Defence, to get as many service personnel abroad registered to vote as possible. What role are the local authorities playing, and what efforts are they putting in to ensure that as many personnel as possible are able to vote?

Mr. Wills: Registration is the fundamental prerequisite to being able to vote, and I pay tribute to the work that my hon. Friend did when he was at the Ministry of Defence. Huge effort has gone into that, and it is working. In the past year the number of service declarations has gone up by 15 per cent., and we need to get the figure up higher. I think it will be higher by the election after next, and we will do everything we can. We have invited all hon. Members to contribute to the process, and that invitation is still extant. We want everyone to do everything possible to make sure that everyone serving in our armed services can vote.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): I congratulate my right hon. Friend on what he has done in achieving such a high return among service personnel. Does that extend to the families of personnel, many of whom are in Germany and elsewhere in the world?

Mr. Wills: I pay tribute to the work that my hon. Friend is doing with his constituents in the armed services and their families to make sure that they can vote. It is fundamental that families serving overseas should have that facility. In answer to my hon. Friend the Member for Halton (Derek Twigg), of course local authorities have a fundamental role to play in this. We all have a role. We should do everything we can, and the Government are doing everything they can.

Mrs. Eleanor Laing (Epping Forest) (Con): As the Minister has decided to leave the House at the general election, this might be the last opportunity we have to thank him for his consistent courtesy, and to pay tribute to him for his hard work, and for what I might describe as his good intentions. I am grateful to him for the letter to which he referred a moment ago, which he sent me last Thursday—and yes, I can answer that we will co-operate in a cross-party way. He says in the letter that the Government intend to launch a consultation for the next Parliament because members of the working group all agreed that concrete steps must be taken. That is a clear admission that the Government know that they have not taken sufficient steps to make sure that members of the armed forces serving our country abroad will be able to vote. I accept that the right hon. Gentleman may well have tried his best, but why do Ministers not want to hear the verdict of members of the armed forces on 13 years of Labour Government?

Mr. Wills: I am extremely grateful to the hon. Lady for her kind words, but I am also particularly grateful—this is the really important point—for her agreement to work with us on a cross-party basis. We want service voters to be able to vote. It does not matter who they vote for; it is a fundamental democratic principle that those who are giving their all—and in some cases their lives—in the service of this country should be able, as far as they possibly can, to express their vote, whoever they vote for. It is wrong of her to suggest that anything sinister is going on. These are difficult and complex matters, and I have already said that we have taken a lot of steps to solve these problems. We have made considerable progress, and we are going to go on making progress.

I have said clearly that registration rates are going up—indeed, that they have gone up by 15 per cent. in the last year—and the hon. Lady must agree that that is a significant achievement by local authorities, by the Electoral Commission and by the officers and service personnel themselves, who are driving that increase. We are putting measures in place to ensure that service voters can vote as they want. That is the crucial point. She always overlooks the point that all service voters can vote by proxy, so they are not being denied a stake in the general election in this country. The question—

Mr. Peter Bone (Wellingborough) (Con): Will the Minister give way?

Mr. Speaker: Order. I must ask the Minister to resume his seat. I have very gently indicated that answers must be shorter.

Members of Parliament (Recall)

6. **Danny Alexander** (Inverness, Nairn, Badenoch and Strathspey) (LD): What recent representations he has received on proposals for a system for constituents to recall hon. Members. [323389]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): The Government have received 74 items of correspondence calling for the introduction of a recall law. We are committed to legislating for a recall mechanism in the new Parliament, and I look forward to discussions with other parties, with a view to reaching an agreed solution.

Danny Alexander: The Minister says that he supports a power of recall, and of course I welcome that, but is it not disappointing, therefore, that the Labour Whips in another place ensured that an amendment to legislation there, which would have achieved such a power and allowed it to be put in place now, was defeated? In the light of the lobbying scandal and the pressure in favour of introducing a power of recall, rather than talking about it, is it not time for the Government to act?

Mr. Straw: The hon. Gentleman may not have spotted this, but there is going to be a general election some time before June the third—[HON. MEMBERS: "The fourth!"] Some time before June the fourth. Sorry, Mr. Speaker, I hope that the record can be corrected and the tapes amended accordingly. The issue of recall legislation in this Parliament is, frankly, otiose. It is for the next Parliament to deal with, and we have to get the system right—but it comes as no surprise to this House that the proposals drawn up by the Liberal Democrats on the back of an envelope do not quite do the job that is required.

David Howarth (Cambridge) (LD): Can we be specific about this issue? I know from their proposals that the Government support a recall mechanism for the other place, but is the Secretary of State now saying that he also supports a recall mechanism for the Commons? If so, that would be a very great advance, and we would very much welcome it. Indeed, if he has moved on that issue, will he now move on proportional representation, too?

Mr. Straw: This may well be the hon. Gentleman's last outing, too, so I pay tribute to him for the work that he has undertaken. However, he needs to get some better briefing, because my right hon. Friend the Prime Minister announced at the Labour party conference on 29 September that we were committed—

Mr. David Heath (Somerton and Frome) (LD): We were not invited.

Mr. Straw: It was hardly a private meeting: it was in the middle of the leader's speech. In that speech on 29 September, the Prime Minister announced his commitment, and that of the Government and my party, to a recall mechanism for this House.

Settlements out of Court

7. **Harry Cohen** (Leyton and Wanstead) (Lab): How many court orders were not executed as a result of a settlement out of court in the most recent period for which figures are available [32339]

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): Settlements are primarily matters between the parties to the case. It is a matter, therefore, for the claimant to decide whether to accept an offer at any stage, including, in some cases, before court proceedings have been formally issued. Therefore, we do not hold figures centrally to reflect the number of court cases that end as a result of a settlement out of court.

Harry Cohen: Did not Mr. Justice Vos, in the Max Clifford case involving the private investigators of Mulcaire, Whittamore and News International, order the disclosure of documents which would have shown the extent of the industrial scale of the defendants' illegal hacking—so was not News International's settling out of court with Mr. Clifford a manipulation of the judicial system to avoid compliance with the disclosure orders? Is not this a scandalous process, amounting to a £1 million cover-up to protect Tory director of communications Andy Coulson, then *News of the World* editor, from being accountable for the gross malpractices for which he was responsible—

Mr. Speaker: Order. This is in danger of becoming a mini-speech; the hon. Gentleman has already made his point with force and alacrity.

Bridget Prentice: I understand my hon. Friend's concerns. Of course, any further investigation into allegations about phone-tapping is really a matter for the Crown Prosecution Service and the police. However, we are aware of the report by the Culture, Media and Sport Committee, and we are considering our response to that. It has made some very serious recommendations, and we will of course take those on board and respond in due course.

Harry Cohen: On a point of order, Mr. Speaker. In view of that reply, I hereby give notice that I shall be making an application to raise this matter on the Adjournment.

Mr. Speaker: I am grateful to the hon. Gentleman. Once again, I had in any case decided to move on to the next question.

Libel Tourism

8. **Mr. John Whittingdale** (Maldon and East Chelmsford) (Con): Whether he plans to take steps to reduce the incidence of libel tourism; and if he will make a statement. [32339]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I thank the hon. Gentleman for the recent report on this issue by the Culture, Media and Sport Committee, which he chairs. In parallel, in January I established a working group on the libel laws, and I have today, by written ministerial statement, published that report. As the latter makes clear, action on libel tourism is urgently needed and will be taken as soon as possible. That will be part of a draft libel Bill that we intend to publish in the new Parliament, as well as other more immediate action that we believe, and the working party believes, could be undertaken by changes in the procedural rules and in judicial practice.

Mr. Whittingdale: I welcome the Government's statement this morning, which appears to address a number of the recommendations made by the Select Committee on reform of the libel system. However, on the specific issue of libel tourism, is the Secretary of State aware

that only last month the Senate Judiciary Committee voiced support for federal legislation in America to allow US courts to negate the judgments of UK courts in libel actions, on the basis that UK courts do not give sufficient recognition to the need for freedom of expression? Does he accept that that is a matter of profound concern that we need to address as a matter of urgency?

Mr. Straw: Yes. The hon. Gentleman properly draws attention to the fact that our defamation laws have developed in rather an unbalanced way. They are now, for example, having a chilling effect on legitimate and important scientific research. We therefore have to bring them back, not into direct symmetry with those of other jurisdictions, but into a better balance.

Mr. Henry Bellingham (North-West Norfolk) (Con): Is the Secretary of State aware that we, too, support sensible and well-thought-out reforms of libel law? Why is the statutory instrument before another place being delayed by certain Labour peers? Does he agree that when it comes to capping success fees, we must strike a balance between controlling excessive costs and ensuring that our constituents have the right to access justice to protect their reputations?

Mr. Speaker: That was two questions, but one answer will suffice.

Mr. Bellingham: Take the easy one.

Mr. Straw: I will answer the first one—the difficult one. I am afraid that I have no control over Members of the other place. I do not agree for a moment with the approach that they are taking. We are strongly committed to producing better sense in the no win, no fee arrangements. I am clear that reducing success fees from 100 per cent. to 10 per cent. will not prevent well-founded claims from being made, but it should put off those who are chancers, along with their lawyers, who have in the past obtained both costs and compensation, wholly disproportionate to the alleged defamation that they have suffered.

Domestic Violence

9. **Christine Russell** (City of Chester) (Lab): What steps his Department is taking to assist victims of domestic violence. [323392]

The Parliamentary Under-Secretary of State for Justice (Claire Ward): Since 1997, the Government have been working to ensure that domestic violence law supports and protects all victims of domestic abuse. We have introduced practical system changes to promote co-ordinated community responses to domestic violence, including the establishment of specialist domestic violence courts. On 19 March, we announced that from 1 April 2010 there will be 141 SDVC systems. That means that the Government's target of having a total of 128 court systems in place by 2011 will be not only met but exceeded a year ahead of schedule.

Christine Russell: I thank the Minister for her detailed response. Will she join me in praising the Cheshire domestic violence partnership, which was recently shortlisted for a local innovation award? It is working extremely well with the special advisers that the Minister has mentioned.

Children who witness domestic violence are also victims. What advice do the Government give to domestic violence partnerships and the courts on supporting children?

Claire Ward: Of course I join my hon. Friend in praising the work of the Cheshire domestic violence partnership. The effect on children who witness domestic violence and abuse can be harrowing, and their needs must be reflected in any strategy dealing with the effects of such abuse. The services of independent domestic violence advisers are integral to providing additional support to the victims of domestic violence and their families in both normal criminal courts and family courts. I am happy to write to my hon. Friend about the other services that we are providing for victims, especially through the national victims service.

Mr. David Burrowes (Enfield, Southgate) (Con): How can it be just that last year, about 40,000 victims of violence saw their cases not taken to court but dealt with by a caution, and four out of five offenders who made it to court were not ordered to pay compensation? In the dying days of this Government, will the Minister ensure that we have not just a national victims service but national victims' justice, so that we see more offenders convicted in court and made to pay back for their crimes?

Claire Ward: This Government have done far more for victims by introducing the national victims service, which will provide caseworkers for those who are affected by the most serious crimes and those who are the most vulnerable. In addition to bringing more criminal cases, the Crown Prosecution Service continues to improve its performance in respect of domestic violence, and the charge to conviction rate for 2008-09 was 72.2 per cent., exceeding the CPS's target of the previous year.

Rosie Cooper (West Lancashire) (Lab): Will my right hon. Friend consider visiting West Lancashire and meeting representatives of West Lancashire women's refuge, who deserve congratulations on their effort and work on the front line in dealing with the fallout from domestic violence and who are keen to discuss with Ministers the positive Government contribution and commitment to funding the tackling of domestic violence?

Claire Ward: I am very happy to do whatever I can to support the good work that my hon. Friend is doing in her constituency.

Prisons (Muslim Gangs)

12. **Mr. Peter Bone** (Wellingborough) (Con): What recent assessment he has made of the extent of the operation of Muslim gangs in prisons. [323395]

The Minister of State, Ministry of Justice (Maria Eagle): We take the issue of gangs and security in prison very seriously. We work with our law enforcement partners, including the police and others, to identify and manage risks to safety, order and control.

Mr. Bone: A former Muslim inmate has said:

"Muslims run the prisons and there's nothing screws can do about it"

After 13 years of Labour, this tired Government are making things worse. Does the Minister agree that things cannot go on like this and that it is time for change?

Maria Eagle: It is complete nonsense to say that Muslim gangs, or any gangs, run prisons. Our prisons are run by the National Offender Management Service and by the staff. We have prison intelligence networks that can identify threats to order and control, and we have ways of ensuring that such threats are tackled effectively. We are doing that as well now as we ever have in the whole 13 years of this Government.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): Does my hon. Friend agree that the most important thing is to monitor, and when necessary act against, groups that fall under the influence of Salafist ideology, particularly when they are associated with groups such as al-Qaeda?

Maria Eagle: I agree with my right hon. Friend, and I can tell him and the House that such activity does go on in our prisons. The statement quoted by the hon. Member for Wellingborough (Mr. Bone) is sheer nonsense.

Crown Dependencies

13. **Andrew Mackinlay** (Thurrock) (Lab): What recent discussions he has had with the Governments of the Crown dependencies on their relationship with Government Departments; and if he will make a statement. [323396]

The Minister of State, Ministry of Justice (Mr. Michael Wills): The Ministry of Justice has frequent discussions at many levels with the Governments of the Crown dependencies. We discuss many aspects of our constitutional relationship, including on occasion the islands' relationships with other Government Departments.

Andrew Mackinlay: I thank the Minister for what he did to help resolve the dispute between the Isle of Man and our Department of Health. However, are not the lessons of that dispute that there need to be more bilateral meetings between Ministers of the Crown dependencies and Whitehall Ministers that avoid the Sir Humphreys, and that the Ministry of Justice needs to reassert its lead role throughout Whitehall as the conduit between Her Majesty's Government and the Crown dependency Governments?

Mr. Wills: One lesson of the recent dispute was the persuasive eloquence of my hon. Friend. He deserves a lot of praise for that, and he will be much missed in this House.

This Government take our relationship with the Crown dependencies extremely seriously. Certainly when I was the Minister responsible, I had frequent meetings with them, as does my colleague the Parliamentary Under-Secretary of State, Lord Bach. I am sure that all Ministers in the Ministry of Justice will continue to do that. I know my hon. Friend's views on the Sir Humphreys and so on, but the officials who deal with such matters are excellent. They do a very good job, on which they should be congratulated.

Prisoners (Republic of Ireland Nationals)

14. **Mr. Philip Hollobone** (Kettering) (Con): How many Republic of Ireland nationals are serving sentences in prisons in England and Wales. [323398]

The Minister of State, Ministry of Justice (Maria Eagle): At the end of June 2009, there were 524 prisoners from the Republic of Ireland serving sentences of imprisonment in England and Wales.

Mr. Hollobone: Given the cost to the British taxpayer of their incarceration, and that only Jamaican and Nigerian nationals have higher populations in our jails, why is Her Majesty's Government not returning to secure detention in the Republic Irish nationals who consent to go?

Maria Eagle: Such arrangements are voluntary. If people wish to go, their returns can be facilitated, and there is no reason why not. We no longer deport—except in exceptional circumstances—at the end of a sentence of imprisonment because of the operation of the common travel area, which means that people can simply return.

FOI Request

15. **Norman Baker** (Lewes) (LD): Although it is not entirely necessary, for the avoidance of doubt, I draw hon. Members' attention to my entry in the Register of Members' Financial Interests. When does the Ministry of Justice plan to respond to the freedom of information request submitted to it by me in January 2010? [323399]

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): I sent a reply to the hon. Gentleman last week. I apologise to him and the House that, because of the depth of consideration required, we were unable to respond within the 20-day statutory period.

Norman Baker: In early January, we learned the astonishing news that in 2003 Lord Hutton recommended that material relating to the death of Dr. David Kelly should be locked away for 70 years. That material would have been made public had the matter been dealt with in a coroner's court. On 27 January, Lord Hutton indicated that he was now content for the material to be released to medical experts, who are threatening legal action against the Government, and I tabled the FOI request to which the Minister replied. The doctors have heard nothing, and my request has been turned down. Where is that material? Will she now comply with Lord Hutton's request for it to be made publicly available?

Bridget Prentice: Our refusal of the hon. Gentleman's request is an entirely legitimate and normal use of the exemptions under the Freedom of Information Act. The correspondence to which he refers is a matter of public record and represents nothing new. We have already provided to the Hutton inquiry, by third parties, a clear expectation that its contents would remain confidential. I reiterate the commitment made to him by the Minister of State, Ministry of Justice, my right hon. Friend the Member for North Swindon (Mr. Wills) to revisit the Government's position should he come forward with any new evidence.

Dr. Julian Lewis (New Forest, East) (Con): Is the Minister satisfied that no foreign Government were involved in the sponsorship of the question that she has just answered?

Bridget Prentice: I suspect that that is not a matter for me.

Prisoners Released in Error

18. **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): What steps he plans to take to reduce the number of prisoners released in error. [323402]

The Minister of State, Ministry of Justice (Maria Eagle): While the proportion of prisoners released in error is very small, being about one twentieth of 1 per cent., the Prison Service is making every effort to reduce the number further. All releases in error must be reported immediately and are subject to formal investigation so that lessons can be learned. It is a mandatory requirement that prisons check the correctness of the calculation of a prisoner's release date and entitlement to release on two separate occasions just prior to release. Prison governors have been reminded of the importance of these checks and the need to follow up any errors immediately.

Mr. Vara: The fact is that over the past two years the number of prisoners released early has increased by 45 per cent. Does the Minister agree that it is bad enough that the Government have an official early release programme, but worse still that so many criminals are being released early?

Maria Eagle: I do not really understand what the hon. Gentleman is talking about; his first question was about releases in error, but he is now talking about early release. All that I can say is that we look very carefully to make sure that people are not released in error, but that where they are, they are immediately brought back to custody, as almost all of them are. The figures were not even collected by his party when it was last in government, so at least we know what the situation is now.

Indeterminate Sentences for Public Protection

20. **Andrew Stunell** (Hazel Grove) (LD): What progress has been made on plans to review the operation of indeterminate sentences for public protection. [323404]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): Imprisonment for public protection sentences play an important part in protecting the public. We are currently considering the recommendations of the joint thematic review on indeterminate sentences, published by the prisons and probation inspectorates, for improving the operation of those sentences.

Andrew Stunell: The Secretary of State will know that there are 2,400 post-tariff prisoners cluttering up our prisons. They cannot apply to the Parole Board, because they cannot get on the offender behaviour courses that they have been required to undertake. Does he accept the view of the inspectorates that he has just mentioned, which is that that is completely unsustainable? In fact, does he not agree that it is literally a criminal waste of money?

Mr. Straw: I profoundly disagree with the hon. Gentleman. Those offenders are not "cluttering up" prisons; they are there because they have been assessed as dangerous by the courts following legislation that we introduced in 2003. There is no entitlement for a prisoner who is on an IPP sentence to be released when his tariff expires. The prisoner has to show that it is safe to release him or her—they are mainly males. The responsibility for proving that it is safe to release the prisoner is on the prisoner. We make available a range of courses, but it is not about ticking boxes; it is about prisoners taking responsibility for themselves. There is no doubt about the effectiveness of the sentence. In my judgment, it is one of the measures that we have introduced that has considerably contributed to making this country much safer and to getting crime down.

Topical Questions

T1. [323409] **Rosie Cooper** (West Lancashire) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I would like to draw the House's attention to the publication that we issued yesterday, "Declarations of Interests: Guidance for Parliamentary election candidates", which was produced in response to a recommendation of the Committee on Standards in Public Life on MPs' expenses and allowances. It follows consultation with the other parties and amendments to take account of their concerns. I hope that it has the full support of the House.

Rosie Cooper: Will the Justice Secretary indicate what action he is taking to give communities more of a say in the criminal justice system? In particular, will he say what work is being done in West Lancashire?

Mr. Straw: Yes, I can. We now have community payback, which involves offenders in high-visibility jackets. It is popular with the public—they can now see community punishments taking place—and it is accepted by offenders as part of punishment. There are five such schemes taking place in my hon. Friend's area. There is the Far Cotton alley gates scheme, the Camp Hill lighting scheme, the Safer Lumbertubs initiative and many other projects, all of which are improving the quality of life for her constituents.

T2. [323410] **Mr. Peter Bone** (Wellingborough) (Con): It has been reported that Ian Huntley, who murdered two little girls, can claim £20,000 in compensation from the Ministry of Justice for having been attacked by a fellow inmate. Does the Secretary of State think that that is fair and just?

Mr. Straw: There is no way in which I can prevent prisoners from making statements through their lawyers in the newspapers, but I can say, very emphatically, that any such claim would be vigorously and very thoroughly resisted. My sentiments are the same as those of the hon. Gentleman and, I think, the House as a whole. I also point out that we have taken active steps to restrict the availability of legal assistance to prisoners, because it was subject to abuse, and it is now being severely restricted.

T3. [323411] **Mr. Stephen Hepburn** (Jarrow) (Lab): Will the Justice Secretary commission fresh medical evidence on pleural plaques, because it has come to light that the medical evidence on which he relied in coming to his judgment on pleural plaques came from a professor who openly admits that he has never come into contact with a pleural plaques victim?

Mr. Straw: We are always ready to look at further evidence, although it obviously has to come from those who are medically expert in this field. However, the evidence that we had to take into account was a report by the chief medical officer for England, along with a parallel report by the medical advisers to the Industrial Injuries Advisory Council.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Does the Secretary of State agree that violence at Her Majesty's Prison Frankland has affected not only Huntley and other inmates, but prison officers? Can he tell us what steps are being taken to deal with violence and dangerous weapons in Frankland?

Mr. Straw: First, I want to pay tribute in the House, as I have done privately in letters, to the three prison officers who have been injured, one of whom, Mr. Wilde, has been severely injured. Fortunately, such attacks on, and injuries to, prison officers are not frequent, but when they do take place, they are terrible for individu[illegible] their families and their colleagues at work. They [illegible] also a reminder of the inherent danger that pris[illegible] officers face, particularly in category A high-risk prisons. A lockdown is taking place at the moment—it takes two or three days in high-risk, high-category prisons. It involves going all the way through the prison searching for any kind of weapons. Other measures are also in place to ensure that those two incidents, which we believe are unrelated—but that is the subject of an investigation—do not happen again.

T4. [323412] **Mr. George Howarth** (Knowsley, North and Sefton, East) (Lab): Given that, in recent years, overall crime rates have been falling, while the number of people in prison has been increasing, what assessment has my right hon. Friend made of the possibility of reducing the prison population by half, and what impact does he think that would have on overall crime rates?

Mr. Straw: I know that it is a dream of the hon. and learned Member for Beaconsfield (Mr. Grieve) to get the prison population down to what it was in 1993—44,000 instead of 84,000.

Alan Duncan (Rutland and Melton) (Con): By reducing crime!

Mr. Straw: The hon. Gentleman says that they want to do it by linking it to a fall in crime. However, I am clear, and so is my right hon. Friend the Home Secretary, that one of the reasons why we have been the first Government since the war to get crime consistently down, rather than up, is that we have been locking up serious, dangerous and persistent offenders for longer; they are being taken out of the system. That is how hon. Members' communities, and mine, have been made safe. Letting out 40,000 prisoners would be a way of making the country even more dangerous than when the Conservatives were last in power.

T5. [323413] **Mr. Andrew Mackay** (Bracknell) (Con): Returning to the Secretary of State's admirably robust response to my hon. Friend the Member for Wellingborough (Mr. Bone), will he confirm that this would be compensation culture gone absolutely mad, and will he also confirm that there are no conceivable circumstances in which a prisoner could receive compensation for violence—

Mr. Speaker: Order. I think we have got the gist of it.

Mr. Straw: Were that to happen, of course it would be worthy of the description that the right hon. Gentleman has used. As I have said, however, all that has happened so far is that there has been a suggestion, apparently by the prisoner's lawyer, that he will seek compensation. I can tell the House as an absolute fact that that would be robustly and vigorously resisted by the Government, and we have absolutely no intention of making such compensation payments.

Dr. Brian Iddon (Bolton, South-East) (Lab): Cash-for-crash criminals and clipboard solicitors are causing our vehicle insurance premiums to rise astronomically. What action is my right hon. Friend's Department taking to try to prevent such cases from coming to court?

w: We are greatly tightening up on legal aid. [illegible] the major report by Lord Justice Jackson on fundamental reforms to the way in which legal costs are assessed should deal with some of the abuses to which my hon. Friend has referred.

T6. [323414] **Dr. Evan Harris** (Oxford, West and Abingdon) (LD): Unlike in the United States, corporations and associations in this country are allowed to sue for libel rather than just for malicious falsehood. The Secretary of State's announcement this morning did not say that he was going to change that provision. Given the tendency of associations such as Negresyco, Barclays, Tesco and the British Chiropractic Association to use our libel laws unjustly to restrict free speech, will he now consider such a change as part of libel law reform?

Mr. Straw: The announcement that I made this morning related to the publication of the report of the working group on defamation, which included representatives from both sides of the issue, as it were. I understand the case that the hon. Gentleman is making, although it is quite a complicated one. We are certainly happy to examine further his proposals, but I do not want to pre-empt the results of any such examination.

Mr. William Bain (Glasgow, North-East) (Lab): Next year will represent the centenary of the passing of the very first Parliament Act. Would not a good way to mark that occasion be to do what is provided for in the preamble to the Act—to legislate for a fully elected second Chamber of Parliament?

Mr. Straw: It would be a fine year in which to move towards a wholly or mainly elected second Chamber. This House agreed on such a move in free votes in March 2007, and it has also been the subject of broad all-party agreement in two sets of proceedings involving cross-party groups. I hope that it can be achieved.

Mr. Crispin Blunt (Reigate) (Con): Will the Secretary of State answer the substantive point raised by the hon. Member for Hazel Grove (Andrew Stunell)? Surely it cannot possibly be right that 2,400 prisoners serving indeterminate sentences who want to attend courses to address their reoffending behaviour are unable to do so. That cannot be either right or economic.

Mr. Straw: The Prisons Minister—the Minister of State, Ministry of Justice, my hon. Friend the Member for Liverpool, Garston (Maria Eagle)—tells me that 69 per cent. of those prisoners have the opportunity to attend such courses. Following changes that I made in the Criminal Justice and Immigration Act 2008 that led to a minimum tariff of two years—so that people were not on imprisonment for public protection tariffs for such a short time that they could not do courses—we are now ensuring that there is a greater opportunity for people to do these courses. But I come back to the point that the responsibility for showing that prisoners are no longer dangerous and that it is safe to release them rests fairly and squarely with those prisoners, and not with the Prison Service.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): On the question of the Libyan who was released early from prison north of the border, what discussions, if any, has my right hon. Friend had with our country cousins north of the border, given that it is now eight months after that man's release, and that we were told at the time that he had only three months to live?

Mr. Straw: I have had no discussions with the Justice Secretary in Scotland about this. That is a separate jurisdiction; it made its own decision and must take responsibility for it.

T7. [323415] **Miss Anne McIntosh** (Vale of York) (Con): I thank the Justice Secretary for the lockdown at Frankland prison in County Durham. Is he aware of recent similar incidents at young offenders institutions, whose prison officers are crying out for the tools to enable them to do their job properly? Will he conduct a thorough review of this issue to ensure that those prison officers can perform the tasks that we entrust them with?

Mr. Straw: The hon. Lady raises an important issue. I think that she is asking whether staves should be available to prison officers in young offenders institutions for under-18s. I received representations on that from YOI staff over about two years, and I conducted a review. This is quite a difficult issue, in terms of balance, and all the staff are agreed on that. In the event, I endorsed the existing policy, but I have looked into this very actively, and I promise her that it is a policy that has to be kept under active review.

Ms Dari Taylor (Stockton, South) (Lab): Link workers are a primary source for prisoners on release, supporting their reintegration into the community. How are the Government supporting this group, ensuring that it is adequately resourced and not undermined?

The Minister of State, Ministry of Justice (Maria Eagle): We increasingly involve third sector and other organisations in offender management to make sure that proper arrangements are in place for those leaving prison, so that they do not fall down the cracks or between services and fail to get the support that they need. It is an increasing part of what we do.

David Simpson (Upper Bann) (DUP): Does the Secretary of State agree that the rules or legislation governing antisocial behaviour orders need to be looked at again in light of the serious percentage of reoffending taking place?

Mr. Straw: We are always looking at ways in which we can tighten up the legislation on antisocial behaviour orders. Before ASBOs were introduced—by me as Home Secretary in 1998, as it happens—there was no provision in the criminal law for dealing with persistent antisocial behaviour. ASBOs have been a successful tool available to local communities, police and the courts in dealing with this behaviour. Where someone breaches an ASBO, they commit an offence with a maximum sentence of five years. What we wish to see is these full powers being better used by the courts.

T8. [323416] **James Duddridge** (Rochford and Southend, East) (Con): If a smug individual were to break a law, rule or regulation once, that is unfortunate; what advice would the Secretary of State give if they did so 37 times?

Mr. Straw: It makes that individual, whoever they may be, a persistent offender. Whether a community punishment or a short sentence would be appropriate is, I think, open to question. *[Interruption.]* I am therefore not surprised that the Liberal Democrats are opposing indeterminate sentences for public protection, which are, perhaps, what is needed.

T9. [323417] **Norman Baker** (Lewes) (LD): I am grateful— *[Interruption.]* I am very grateful indeed for the support from the Conservative Benches. May I ask the Minister this very simple question? Are the Government going to accede to the request by Lord Hutton of 27 January to release information relating to the death of Dr. David Kelly to the medical experts who have demanded it? Are they going to release that information?

The Minister of State, Ministry of Justice (Mr. Michael Wills): Unfortunately, I did not quite catch all of the hon. Gentleman's question. Insofar as I understood what it was about, the Government—*[Interruption.]*

Mr. Speaker: Order. The hon. Member for Rochford and Southend, East (James Duddridge) is in a state of almost uncontrollable excitement.

Mr. Wills: Thank you, Mr. Speaker. As I was saying, insofar as I understood the hon. Gentleman's question, the answer is that the Ministry of Justice looks at each case on a case-by-case basis. As I have said to the hon. Gentleman, we can always look at matters again, and we will do so, if necessary.

Mr. Edward Timpson (Crewe and Nantwich) (Con): What is the Secretary of State doing to address concerns from professionals, practitioners and the public alike about the staff shortages and massive casework increases in the Children and Family Court Advisory and Support

Service, including the problem of having a period of up to five months during which there has been no allocation of any guardian in a case involving vulnerable children?

Mr. Straw: I am not trying to excuse the situation, but may I gently point out that CAFCASS in England is the responsibility of my right hon. Friend the Secretary of State for Children, Schools and Families, while in Wales it is the responsibility of the Welsh Assembly Government? I will certainly take up the concerns that the hon. Gentleman has raised. I am aware of the pressure on CAFCASS, which has an impact, in turn, on the operation of the family courts, for which I am responsible.

Miss Julie Kirkbride (Bromsgrove) (Con): Will the Secretary of State reassure my constituent whose relative was murdered by the Yorkshire Ripper many years ago that he will never be let out of prison, because of his heinous crimes?

Mr. Straw: I would like to provide that reassurance. I have to say to the hon. Lady and the House that ultimately that decision would be for the Parole Board and the courts, and perhaps mental health tribunals. However, I say to her, and through her to her constituent, that all the evidence I have seen in this case—it is a great deal—suggests to me that there are no circumstances in which that man will be released.

T10. [323418] **John Hemming** (Birmingham, Yardley) (LD): Under the Mental Capacity Act 2005, the court can determine that an adult does not have the right to decide where she lives, on the basis of the opinion of an expert appointed by the Official Solicitor. Do Ministers believe that a psychologist or psychiatrist should be required for such an assessment, or would a social worker be sufficient?

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): It is the job of the Court of Protection to make that assessment under the Mental Capacity Act 2005. The court will look in detail at the individual concerned and take a holistic approach to them. If it so wishes, it may choose to involve experts from across the piece, if appropriate. The hon. Gentleman might be interested to know that my right hon. Friend the Secretary of State for Justice has agreed with the president of the court that a review of its rules should take place, and that issue might be one of those that it considers.

UK Passports (Use in Dubai Murder)

3.36 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): With your permission, Mr. Speaker, I will report to the House on the investigation announced on 17 February by the Prime Minister into the use of counterfeit British passports in the killing of Mr. Mahmoud al-Mabhouh in Dubai on 19 January. The UK is continuing to support inquiries under way in a number of countries including in the United Arab Emirates itself. However, at the end of last week the Serious Organised Crime Agency reported to the Home Secretary on its investigation. Its report has now been studied by the Prime Minister, the Home Secretary and me, and was presented to the Cabinet this morning.

In the past 24 hours I have spoken to the Foreign Ministers of the other countries whose passports were involved. Their investigations are continuing. It would not be right to release the report in full, for legal and other reasons, but it is right that the House should know a summary of the conclusions that SOCA has reached and the action that we will be taking in response.

First, for the avoidance of any doubt, I should make it clear to the House that in the case of each of the 12 passport holders to whom SOCA spoke, it found no evidence to suggest that any of those individuals were anything other than wholly innocent victims of identity theft. Secondly—this should not need saying—I must add in the strongest possible terms that the UK had absolutely no advance knowledge of what happened in Dubai nor any involvement whatever in the killing.

SOCA conducted an extremely professional investigation. The Israeli authorities met all the requests that SOCA made of them. SOCA was drawn to the conclusion that the passports used were copied from genuine British passports when handed over for inspection to individuals linked to Israel, either in Israel or in other countries. It found no link to any other country. Given that the operation was a very sophisticated one, in which high-quality forgeries were made, the Government judge it highly likely that the forgeries were made by a state intelligence service. Taking that together with other inquiries and the link to Israel established by SOCA, we have concluded that there are compelling reasons to believe that Israel was responsible for the misuse of British passports.

The Government take this matter extremely seriously. Such misuse of British passports is intolerable. It presents a hazard to the safety of British nationals in the region. Also, it represents a profound disregard for the sovereignty of the UK. The fact that that was done by a country that is a friend, with significant diplomatic, cultural, business and personal ties to the UK, only adds insult to injury. No country or Government could stand by in such a situation.

Israel is a democratic country, with remarkable achievements to its name, in a dangerous part of the world. That makes international co-operation even more important. Britain has worked and will continue to work closely with Israel on a range of issues, notably the Iranian nuclear threat, but that co-operation must be based on transparency and trust. The Government are therefore taking a number of steps, based on the evidence of what has occurred in this case, to make clear their deep unhappiness at what has happened, and to seek to ensure that such an abuse does not happen again.

I met Foreign Minister Lieberman on 22 February. At that stage, our investigation was only just starting. I told him then of our deep concern about the incident, and made clear my expectation that Israel would co-operate with the investigation. I met Mr. Lieberman again in Brussels yesterday. I set out the findings of the SOCA report, our intended actions, and our determination to ensure that this affair is never repeated. I handed over a letter seeking a formal assurance from him that in the future the state of Israel would never be party to the misuse of British passports in such a way.

Diplomatic work between Britain and Israel needs to be conducted according to the highest standards of trust. The work of our embassy in Israel and the Israeli embassy in London is vital to the co-operation between our countries. So is the strategic dialogue between our countries. Those ties are important, and we want them to continue. However, I have asked for a member of the embassy of Israel to be withdrawn from the UK as a result of this affair, and that is taking place.

Members will be concerned about the fate of the British passport holders involved. As one of them said, to go to bed as a citizen and wake up as a wanted terrorist is shocking. We have provided consular assistance for the 12 people whose identities and passports were misused. As part of that, we offered them all new biometric passports, which are being rolled out to the whole British population and, being considerably more difficult to counterfeit, should give them the confidence that they need that they can still travel safely on their British passports. Eleven of the 12 have so far been issued with new biometric passports.

To alert other British nationals to the risk that their passports might be misused in the same way, I am today amending our travel advice on Israel to make clear the potential risk, and to set out the steps that people can take to minimise that risk.

The middle east is not a place for woolly or wishful thinking. The Israeli people crave and deserve legitimacy and security. The United Kingdom will not compromise its support for that, but the actions in this case are completely unacceptable, and they must stop.

I commend the statement to the House.

Mr. William Hague (Richmond, Yorks) (Con): I thank the Foreign Secretary for his statement, and for setting out the measures that are to be taken. Let me say at the outset that the Opposition agree with them. We should all regret having to take such measures against a country that is a friend of Britain and with whose diplomats we enjoy good relations, but we cannot permit cloning of, interference with or misuse of British passports by another state. If the Foreign Secretary is truly satisfied, on the basis of all the evidence he has seen, that that has happened in this case, it is right for Britain to take measures both to rectify the situation and to show that it is unacceptable to us.

Is the Foreign Secretary aware that there was a similar case in 1987, when it was discovered that Israel had forged British passports for intelligence operations? On that occasion, the then Israeli Foreign Minister, Shimon Peres, assured the then Foreign Secretary, my right hon. and noble Friend Lord Howe of Aberavon, that it would not happen again. It seems that those assurances have not been upheld.

On the results of the investigation, we welcome the fact that Israel co-operated with the Serious Organised Crime Agency in its inquiries. The Foreign Secretary said that he had spoken to the Foreign Ministers of the other countries whose passports were allegedly involved. Can he tell us anything about their own investigations? Can he tell us when he expects those investigations to be concluded, and whether he expects any of those other countries to take similar action in parallel with the United Kingdom?

On the need to prevent this from happening again, the Foreign Secretary will know that as soon as the use of British passports was uncovered last month, we argued that the Government should seek a specific assurance that Israel would never sanction the misuse of British passports in any future operation. We therefore welcome the fact that the Foreign Secretary has now formally requested such an assurance from his Israeli counterpart. Will he make it clear, however, that it is not just a question of an assurance that no future counterfeiting will take place, but a question of an assurance that there will be no further use of any British passports that may already have been copied? That last assurance will be of particular concern to British travellers who may fear that other versions of their passports are in circulation.

Did the Foreign Secretary receive any indication from the Israeli Foreign Minister that such assurances could or would be given, and will he intend, if they are received, to change the Foreign Office travel advice relating to Israel accordingly?

The Foreign Secretary said that the biometric passports introduced four years ago are more difficult to counterfeit. Does he consider these new passports to be as invulnerable to counterfeiting as it is possible to make them, or will the Government review whether any other steps are needed to protect the integrity of British passports? Is there any suggestion that British passports are more vulnerable than those of other countries, including other EU countries?

Finally, on the effect of this on relations with the United Arab Emirates, can the Foreign Secretary say any more about what assistance SOCA and other British authorities have provided to the Dubai authorities at their request and whether this is continuing? Has he had any indication from the UAE Government that more stringent rules will be applied to the issuing of visas to British citizens visiting or resident in the country?

There are many issues on which Britain and Israel quite rightly work closely together: a two-state solution to the middle east peace process, diplomatic action over Iran's nuclear programme and the expansion of trade between our countries to the benefit of all our citizens. But such relations and co-operation must be able to take place in an atmosphere of mutual trust, and it is necessary for that trust to be reaffirmed so that relations can be as productive as they should be. We therefore think that the measures taken by the Government are right and that the Israeli Foreign Minister, as he considers the Foreign Secretary's letter, should know that it comes with united support across this House.

David Miliband: I am grateful to the right hon. Gentleman for his support. As the House knows, there is publicly available history here, dating back to the 1980s, upon which it is reasonable to reflect in the light of the incident that has most recently taken place. It is right to be extremely cautious when saying anything about the investigations that are being conducted by other countries. They are continuing, as I said in my statement, and I did not press the Foreign Ministers to whom I spoke yesterday, and this morning actually, for details. All of them were clear that these investigations were being conducted by independent authorities in their own countries and needed to be carried to their conclusion. That is right. They did not give me a time frame for when they would conclude, either. It is right to make it clear to the House that no country had as many passports involved in this sorry affair as the United Kingdom; no other country was even close to double digits.

We are clear that we keep our travel advice up to date, so the response that we seek from the Israeli Foreign Minister in reply to my request for a specific assurance will of course affect what our travel advice about the situation and its consequences.

In respect of biometric passports, the Government believe that they are as invulnerable as possible, which was, I think, the right hon. Gentleman's phrase. They are certainly not more vulnerable than passports from the rest of the EU. The link to biometric fingerprinting is obviously important in this case in strengthening the security of the passports.

Finally, on the UAE, its investigation is continuing. It is too early for the Foreign Minister of the UAE to have given me any suggestion of a tightening of his visa regime but it is important that we continue to support the UAE in its investigation, which it is carrying out in an extremely professional way.

Mr. Edward Davey (Kingston and Surbiton) (LD): I thank the Foreign Secretary for his statement and for giving me an advance copy of it. Now that SOCA has concluded that British passports were indeed misused by Israel, may I join him in expressing our deep concern? It is indeed intolerable that a close ally should treat Britain and British nationals in this way. I fully support the proportionate measures proposed by the Foreign Secretary today. It is difficult to get the correct balance when dealing with a state such as Israel that is a close friend of this country, but I believe that he has judged it well.

I have three areas for brief questions. First, will Ministers and SOCA work with other countries whose sovereignty may have been breached by Israel on these occasions to assist them in their investigations? In answer to the right hon. Member for Richmond, Yorks (Mr. Hague), the Foreign Secretary touched on this, but is Britain offering our support to those countries with their investigations?

Secondly, given that it is alleged that these counterfeit passports were used in an extra-judicial killing by Israeli agents, has the gravity of that misuse been weighed in the balance in the Government's response? Thirdly, and more widely, although I strongly agree with the action that the Foreign Secretary has taken today, may I invite him to reflect on how the expulsion of a diplomat in response to passport fraud, serious though that is, might look to Palestinians in Gaza, the west bank and elsewhere, who have been the victims of more serious breaches of international law by Israel? Given the action that he has taken today, can he assure me that when it comes to policy issues such as the blockade of Gaza and illegal settlements on the west bank, the Government

[Mr. Edward Davey]

are willing to back stronger condemnation of Israel, as President Obama and other EU countries now appear willing to do? We are right to feel like wounded friends of Israel over these passports, but we must also be ready to be more critical friends of Israel over matters that are harming the peace process and are also not in Israel's long-term interests.

David Miliband: I am grateful to the hon. Gentleman and the right hon. Member for Richmond, Yorks (Mr. Hague), who speaks for the official Opposition, for their support. It is important that a united message goes out from across the political parties about the necessary nature of the measures that we have taken today, significant though they are.

On the hon. Gentleman's questions, first I should say that, when asked, SOCA is available to help partner agencies around the world. Secondly, the matter of gravity that the SOCA investigation was looking into was confined to the passport counterfeiting, cloning and so on; SOCA was not conducting an investigation into the alleged murder in Dubai. SOCA's investigation was narrowly construed, but none the less it has wide-ranging ramifications alongside the other inquiries that have been taking place.

Finally, the hon. Gentleman will know that it is my very strong view that engagement with the people and Government of Israel is essential if we are to convey to them the concern we have about issues such as Gaza, which he raised. The situation in Gaza was discussed yesterday at the Foreign Affairs Council in Brussels as part of a wide-ranging discussion following the Quartet meeting with the Quartet envoy, Tony Blair, yesterday. So the measures that we have taken today, including those relating to a member of the Israeli embassy, relate to the investigations that have taken place in the run-up to this announcement.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): May I congratulate my right hon. Friend on being the first western statesman to take specific action against the serial crimes committed by the Israeli Government? However, he surely must recognise that anybody passing through the corrupt passport control and airport security system at Ben Gurion airport is liable to have her or his passport cloned and abused. If he wishes to have any further information about my own personal experiences of those corrupt systems, I shall pass it on to him.

David Miliband: My right hon. Friend has certainly added to the gravity of the situation with the issue that he has raised, and I certainly would like to see whatever information he has available. I think that not only the measures that we have announced but the advice that we have given on the Foreign Office website as of now will provide a degree of warning and protection for any traveller to Israel and will allow them to mitigate the risks that they might face.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): Like the Foreign Secretary and my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), I consider myself a friend of Israel, but on this particular occasion I think that we have a legitimate grievance. May I take the Foreign Secretary back to his statement? He has made much of his discussions with the Israeli Foreign Minister, in which it seems that most of this pressure has been about what will happen in the future. Surely what we need to establish from the Israeli Government is an acceptance that they were involved in this incident, not just a suggestion that they should not be engaged in similar incidents in the future. May I ask the Foreign Secretary to press his counterpart in Israel to admit at some stage that the Israeli Government were involved in this before admitting that they will not do anything similar in future?

David Miliband: I am grateful to the right hon. Gentleman. I can say to him that in my meeting with the Israeli Foreign Minister—also in Brussels, as it happens, last month—I pressed him very strongly on the circumstances of this incident. He said—he has said this publicly—that he had no information relating to the incident. Although I understand the point that the right hon. Gentleman is making, I am sure he will also recognise that there is an ongoing criminal investigation in the UAE into the alleged murder that is the primary focus of the legal side of this affair. It is helpful, though, for him to have made his view clear about the seriousness of this issue. Israel has a huge amount to gain from adherence to international law and international obligations and it is very important that a message goes out that we expect that in all cases.

Andrew Mackinlay (Thurrock) (Lab): May I ask the Foreign Secretary to clarify whether the diplomat leaving London will be selected by the Israeli ambassador or whether a specific person is being expelled whose fingerprints have been found in relation to this matter? If it is the latter, this is a very limp response. If the person is guilty of being part of this fraudulent dealing with our passports, the House should be told.

David Miliband: As I said very clearly in my statement, the request for an individual to leave—and the decision of the Israelis to accede to that request—was made by us. It was linked, precisely as I have said, in the work that we have done to the investigations that have taken place. We were very clear with the Israeli authorities about the basis on which we were asking for an individual to leave.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): What the Foreign Secretary has described is a criminal conspiracy to facilitate murder, probably contrary to UK domestic law under the terrorism legislation. That being so, has the Foreign Secretary considered what officials not in the Israeli Government or elsewhere, not covered by diplomatic privilege, may be liable to criminal sanctions before the UK courts? If he has, what steps does he intend to take to pursue that matter, for example through the issuing of international warrants of arrest?

David Miliband: As we have discussed in this House many times, the procedures for arrest—never mind for prosecution—are not ones that are in the hands of the Government. The measures that we have taken in this case have obviously been carefully weighed and walked through with legal advisers as well as with others who were conducting the investigation. I think that that is the right basis on which to leave it.

Mr. Robert Marshall-Andrews (Medway) (Lab): I welcome the statement from my right hon. Friend, and given the fact that this extra-judicial murder was an affront to British interests and British subjects, it was quite inevitable. However, this action was not aberrant—it was a measure of the impunity and illegality with which Israel acts. At this very moment, as we speak, 1.5 million Palestinians are illegally trapped, blockaded and destitute in Gaza, and in the west bank their land and their water are stolen daily and defenceless children are shot. When are we going to take this forward on a greater level and condemn more actively than we do the wider actions of an ally that is rapidly becoming a rogue and pariah state?

David Miliband: I am pleased to be able to say that we discuss often, in this House and elsewhere, the situation in the middle east and, specifically, the situation in Gaza as well as that in the west bank. One has to choose one's words and cases carefully. My hon. and learned Friend is right that settlement building, if that is what he was referring to, is not only a roadblock on the road to any kind of peace settlement or Palestinian state, but illegal. It is contrary to international law and that is something that we make very clear. We should continue to recognise that there is a strong British national interest in a resolution of the conflict at the heart of the middle east that is based on a Palestinian state that is able to live alongside Israel but that is also based on Arab states being able to normalise their relations with Israel on the basis of the Arab peace initiative, which was published in 2002.

Mr. Edward Garnier (Harborough) (Con): The point that my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) made is just as important even if one is not dealing with an alleged killing. The courts of England send people with no previous convictions to prison for passport forgery and their sentences are measured in years. What does this story tell us about the integrity of the Government's proposals for identity cards? Does it not undermine the Government's case?

David Miliband: I am delighted that the hon. and learned Gentleman has raised that point, because it makes a very strong case precisely for the national identity register that we propose. I think that many people, if they can be diverted from the issue at hand for a moment, will see that the determination to have a national identity register precisely fits into the sort of concerns that people have about identity theft. Actually, the case is made for the proposal that the Government have put forward, and I hope that the hon. and learned Gentleman will reconsider his opposition to it.

Jeremy Corbyn (Islington, North) (Lab): In his statement, the Foreign Secretary said that

"we have concluded that there are compelling reasons to believe that Israel was responsible for the misuse of British passports."

That being said, why is only one diplomat being removed and why not much higher up the chain? Does the Foreign Secretary believe that the Israeli Government were culpable in the act of deception over the passports and the murder, or does he believe that some quasi-state authority in Israel undertook it in the name of that country?

David Miliband: I make no allegations about quasi-state authorities in this case. Let me address the point that we should have moved, as my hon. Friend put it, higher up the chain. He is saying that we should either have expelled the Israeli ambassador or have withdrawn our ambassador from Israel. I do not believe that that would have been the right thing to do. In fact, it would have been a retrograde thing to do, because it is vital that we are able to express with passion, commitment and principle to the Government of Israel the feelings from across the House and within the Government. It is essential that we are able to do so in this country and in Israel itself. The last thing that we should be advocating is the isolation of Israel; we do not advocate the isolation of Iran and we do not advocate the isolation of Israel either. That would be quite the wrong lesson to draw from this affair. However, it is important that my hon. Friend recognises that the decision that we have taken about this case and about the withdrawal of a member of the embassy's staff is designed to be targeted and effective, and I believe it will be.

Sir Menzies Campbell (North-East Fife) (LD): Does the Secretary of State understand that his statement today displayed remarkable restraint and fastidiousness? He described the operation as "sophisticated" and said there was "compelling" evidence, in relation to passports, of the involvement of a state intelligence agency. From that, he concluded that

"Israel was responsible for the misuse of British passports."

What factors stand in the way of his reaching a similar conclusion regarding the killing in Dubai itself?

David Miliband: My right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman) said that the steps I was taking were unprecedented, and the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) says that we have been fastidious, so I look forward to their arguing that out. Perhaps we have struck the right balance. On the alleged murder in Dubai, the investigations are continuing and we wait to see what the UAE authorities conclude on that matter.

Keith Vaz (Leicester, East) (Lab): I welcome the Foreign Secretary's statement and the action that he has taken, as well as the speed with which SOCA has completed its report. I appreciate that aspects of the report ought to remain confidential, but will he confirm that they have been shared with the head of the Identity and Passport Service and the head of the UK Border Agency?

David Miliband: I want to check the details of the internal sharing, but I am happy to write to my right hon. Friend on that matter.

Mr. Bernard Jenkin (North Essex) (Con): The Foreign Secretary sought an assurance from the Israeli Foreign Minister. Does he expect such an assurance to be given?

David Miliband: I very much hope that such an assurance will be given and I very much hope that it will be given soon.

Mark Durkan (Foyle) (SDLP): I thank the Foreign Secretary for his statement, which referred to the "killing" in Dubai, whereas the heading on the Annunciator

[Mark Durkan]

referred to the alleged "murder". I seek assurances that the Government are not trying to signal some ambiguity as to the criminal character of state-sponsored assassination. He has told us what Foreign Minister Lieberman told him yesterday, denying any knowledge. Does he believe Mr. Lieberman? If not, how can we believe any assurances that Mr. Lieberman gives in future?

David Miliband: I believe that in Israel the system for governance of the intelligence agencies is rather different from the system in this country, as the Foreign Minister explained. The Foreign Ministry does not have the line of responsibility for foreign intelligence in the way that it does in this country, where the Secret Intelligence Service is responsible to me. That is not how the system works in Israel, and I take at face value exactly what the Foreign Minister said to me a month ago and yesterday.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): In 2004, relations between New Zealand and Israel were put on hold after a robust reaction from New Zealand to Israeli sovereignty violations. In 2005, the then Israeli Foreign Minister apologised to New Zealand. Will the UK be demanding from Israel the same respect it showed New Zealand, especially given that UK passports were used to facilitate a murder? Will the removal from the embassy be random or specific? Are the people to be chosen by Israel or by the UK?

David Miliband: We actually answered that earlier—in the second question. It is not a random selection, and it is made not by the Government of Israel but by us.

If the hon. Gentleman goes back to the 2004 case, he will find some significant differences from this case. I think that the information that I have seen about it is available in the public domain. However, he will see clearly from my statement the degree of concern that we have, and the measures we have taken.

Rob Marris (Wolverhampton, South-West) (Lab): I welcome the Government's robust action and I oppose the isolation of Israel. Nevertheless, why does the UK continue to regard successive Governments of Israel as friends and allies of the UK, when they repeatedly demonstrate—as in this passports case—that they pay little or no attention to the UK and we appear to have no real influence whatever over Israel?

David Miliband: I am not entirely with my hon. Friend in his description. We have some strong shared interests with Israel and we do some important work together. However, in cases when Israel flouts the friendship between our countries, it is vital that the Government speak up without fear or favour, which is what we have done in this case.

Dr. Julian Lewis (New Forest, East) (Con): I think we can rest assured that even Mossad will think twice before trying to steal the identity of the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman).

Given the importance of the proportionate response that the Foreign Secretary has rightly outlined to the House, how was it that the BBC, nearly two hours before he made his statement to the House, put up a news item headed, "Britain to expel Israeli diplomat", quoting diplomatic sources? Should that not have been said in the House first?

David Miliband: I am glad to have the opportunity to tell the hon. Gentleman that of course the House should be the first to hear. I have been assured that there is no suggestion of the Foreign Office being the source, and I am determined that when we have something to say it should be said here first.

Martin Linton (Battersea) (Lab): I commend my right hon. Friend on his decisive action in expelling a so far unnamed diplomat from the Israeli embassy, although he is of course welcome to name him. I have the diplomatic list, from the ambassador to the defence attaché, who, to refer to the previous question, just happens to be a Colonel Kaufman.

May I urge my right hon. Friend to take similar action every time Israel disregards the law, whether it is by building settlements, building the wall in occupied territory, the annexation of east Jerusalem, targeting civilians in Gaza or the use of human shields?

David Miliband: We are clear that it is important that Israel has diplomats in this country. We think it is important that we are able to engage with them in a way that allows them to reflect in their own society, and their own country, the degree of passion in this country. I assure my hon. Friend that on the issues he has raised we speak very clearly to the Israeli embassy as well as to the Israeli people.

Mr. Peter Bone (Wellingborough) (Con): Could the Foreign Secretary be clearer? He has been very evasive about the person who will be expelled. Could the Foreign Secretary say what position the person held? Did he have any relationship to Mossad?

David Miliband: I am not going to give any further information about the individual concerned, and I am not going to describe anything further about the role that he played. I have been very clear about the basis on which he was chosen. That is the right thing to do.

Points of Order

4.9 pm

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): On a point of order, Mr. Speaker. I have given you prior notice of it, and I have given prior notice to the hon. Member for Carlisle (Mr. Martlew), whom it concerns. There is, as you know, a planning application in my constituency for intensive dairy production at a place called Nocton. It has aroused intense feelings and opposition, part of which is founded on animal welfare considerations. The hon. Member for Carlisle tabled early-day motion 1037 which addresses the issue both in general and in particular, mentioning my constituency as the site, or at least that is the implication. He did not discuss this with me in advance; I am sure that he intended no discourtesy. I do not think that there is guidance on the matter, so I am looking only to guidance for the future.

May I suggest that in future, when an hon. Member tables an early-day motion which affects another Member's constituency directly, the Member tabling the early-day motion should inform the other Member in advance, very much as he or she would if he or she were going to the other Member's constituency? I do not for one moment challenge the hon. Gentleman's right to table the early-day motion, but it would have been helpful and, I suggest, courteous for me to have been told in advance.

Mr. Speaker: I am grateful to the right hon. and learned Gentleman for giving me advance notice of his point of order. Clearly, as he indicated in what he said, the matter is of specific relevance to his constituency. The House is well aware of the conventions about visiting other Members' constituencies, and about mentioning each other in debate. As the right hon. and learned Gentleman rightly observes, we do not have a practice on giving notice about tabling motions, but he has made his point very effectively. I know that others will thereby be conscious of the matter.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP) *rose—*

Mr. Speaker: Order. The hon. Gentleman should be patient. His patience will be rewarded in due course.

The hon. Member for Carlisle (Mr. Martlew) is in his place. He is not obliged to respond, but if he would like to do so, he is welcome.

Mr. Eric Martlew (Carlisle) (Lab): Thank you, Mr. Speaker. The right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) is a barrister, but I was hoping that you would find me innocent of the crime, Mr. Speaker. I did not mention the right hon. and learned Gentleman, and I did not specifically mention his constituency. I referred to Lincolnshire; I did not know the site was in his constituency. The precedent that could be set is that if any hon. Member tabled a question about any constituency, he would have to tell the hon. Member concerned. I hope that you will find me innocent.

Mr. Speaker: What I would say to the hon. Member for Carlisle is that I have sought to respond to the point of order from the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) in measured terms, just as he spoke in measured terms, and so did the hon. Member for Carlisle. I do not view the matter, if I may say so, in terms either of guilt or of innocence. The situation that has arisen is quite specific, a repetition of which could occur. Rather than formulate a new rule or piece of guidance on the hoof, I would prefer to rely on the general good sense and natural courtesy of right hon. and hon. Members.

Mr. MacNeil: On a point of order, Mr. Speaker. I tried to catch your eye before the Foreign Secretary had left. In his answer to me, the right hon. Gentleman said that he had specifically said, with reference to the hon. Member for Thurrock (Andrew Mackinlay), who the person to be expelled was. In fact, he did not. At 1.52 pm the BBC news site said that it was likely to be the London head of the Mossad secret service. I got more information from the 1.52 pm release from the BBC than I did from the Foreign Secretary at the Dispatch Box a few moments ago. May I ask that we are told first, in the House from the Dispatch Box, if somebody is to be expelled from the UK?

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order, and I endorse what he and other right hon. and hon. Members have already said on the matter. In fairness, I think the Foreign Secretary, who is no longer in his place, made very clear his own belief and insistence that matters of public importance should first be disclosed or reported to the House, rather than to the media. It is fair to say—I will deal with the specific point that the hon. Gentleman made—that Ministers cannot be held responsible for what is speculated about in the media. If there is specific evidence—

Dr. Julian Lewis (New Forest, East) (Con) *rose—*

Mr. Speaker: Order. I will come to the hon. Gentleman, who is in a state of overweening excitement.

If there is specific evidence that something has been disclosed externally first, the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) knows that I would regard that as an extremely serious matter. I do not think this is quite such a case. I note what he said; those on the Treasury Bench will also have noted what he said.

Dr. Lewis: Further to that point of order, Mr. Speaker. May I quote briefly from the BBC posting at 13.52, which has been referred to? It says:

> "BBC Middle East editor Jeremy Bowen said the person to be expelled is likely to be the London head of Israel's secret service, Mossad. Diplomatic sources stressed the British government has stopped short of accusing Israel of the murder."

That is a fairly clear indication that that report was written as a result of conversations with someone connected with the Foreign and Commonwealth Office.

Mr. Speaker: I still believe, if I may say so to the hon. Gentleman, that we are in the realms of speculation. We have not got a concrete finding. If I had not known him for 26 years and five months, I would think that he was trying to continue the debate, but as I have known him for 26 years and five months—

Dr. Lewis: Name the days.

Mr. Speaker: I cannot name the number of days, but as I have known the hon. Gentleman for 26 years and five months I know that he would not indulge in misbehaviour of that kind.

Robert Neill (Bromley and Chislehurst) (Con): On a point of order, Mr. Speaker. Later today, under items 9 and 10 on the Order Paper, the House is due to vote without debate, under Standing Order No. 118(6), on two orders. They are local government structural changes to create unitary authorities in Exeter and Norwich. They were considered yesterday afternoon by a Delegated Legislation Committee, and yesterday evening in the other place. In the other place, an extraordinary thing occurred: on the Norwich order, a motion to regret and delay the matter was passed after a Division; and on the Exeter order, the Government accepted the motion put forward to delay its implementation without seeking to divide the House.

Given that there can be no debate, is it in order for this House to be asked to vote on those two orders when it is not now clear whether the Government intend to proceed with them, or to delay them in accordance with the stance that they adopted in the upper House? Could we at least ask that the Minister be brought to this House to explain the Government's position before we vote on something that may turn out to be a false premise?

Mr. Speaker: The hon. Gentleman has raised his point of order with all the force and lucidity that one would expect from a practising barrister, but I fear that I am going to have to disappoint him somewhat when I say that what happens in another place is not a matter for the Chair. The hon. Gentleman vents his displeasure at the fact that the Government have tabled the matters upon which the House can vote but which will not be open to debate, but that is a matter for the Government and not for me. It may be that he is putting in a bid for an increase in the powers of the Speaker, but as things stand I have no such power.

Mr. Peter Bone (Wellingborough) (Con): Further to that point of order, Mr. Speaker. The Joint Committee on Statutory Instruments drew to the attention of this House the fact that those orders might be of doubtful vires. How is it possible to get that on the record?

Mr. Speaker: The hon. Gentleman has just very pithily done so.

BILL PRESENTED

Sustainability of Livestock Farming and Food Production (Strategy)

Presentation and First Reading (Standing Order No. 57)

Mr. Peter Ainsworth, supported by Mr. John Gummer, Mr. David Amess, Alan Simpson, Dr. Nick Palmer and Andrew George, presented a Bill to require the Secretary of State to prepare and implement a strategy to improve the sustainability of livestock farming and the sustainability of the consumption of livestock produce; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 23 April, and to be printed (Bill 94).

Fire Safety (Schools)

Motion for leave to bring in a Bill (Standing Order No. 23)

4.19 pm

Mr. Jim Cunningham (Coventry, South) (Lab): I beg to move,

That leave be given to bring in a Bill to require the compulsory installation of automatic fire sprinklers in all new-build educational establishments; and for connected purposes.

The purpose of the Bill is simple: all new-build nursery, primary and secondary schools, academies and technology colleges should be fitted with sprinkler systems in order to reduce the damage caused by fire and to save lives. I am aware that this is a very topical issue. The Welsh Assembly has passed the Legislative Competence (Housing) (Fire Safety) Order 2010, which proposes the installation of fire sprinklers in all new residential premises in Wales. There was clear support for that in the Assembly. There is also a Bill going through the other place—Lord Harrison's Building Regulations (Amendment) Bill.

Approximately 1,400 schools in the UK are damaged by fire each year—roughly 20 schools per week. That is only the reported figure; there may be many smaller fires that go unreported. The Arson Prevention Bureau states that almost a third of school fires occur during the day, putting the safety of staff and pupils at risk. According to the 2007 figures from the Department for Communities and Local Government, 42 per cent. of the fires in that year were arson. It is estimated that fewer than 200 schools of the 28,000 are fitted with sprinklers. According to the Department for Communities and Local Government, the cost of school fires stood at £58 million from 2000 to 2004, with the total cost estimated by the National Union of Teachers to be in the region of £100 million. In 2006, six fires resulted in damage of £1 million each. That is enough to employ a substantial number of new teachers and provide new building facilities.

Fire causes untold damage to school buildings and facilities. We can all recall examples of school fires in our own constituencies that have caused great damage. As I said, the true cost is estimated to be about £100 million per year. However, fires also have many serious knock-on effects such as necessitating the hire of temporary accommodation for staff and pupils. The National Foundation for Educational Research estimates that the education of approximately 90,000 children is disrupted each year by school fires and that those from disadvantaged backgrounds are most likely to be affected. Coursework can be lost and exams postponed due to fire. It can lead to a drop in morale among staff and pupils. It can have an impact on those in the wider community who use the facilities for adult education or sports, for example.

The published Government guidance for fire safety in schools, "Building Bulletin 100: Design for Fire Safety in Schools", states that

"all new schools should have fire sprinklers installed except for a few very low risk schools",

subject to a risk assessment and cost-benefit analysis. The value of sprinkler systems has been applauded by the Government as a weapon against arson. To quote from "Building Bulletin 100",

"Sprinkler systems installed in buildings can reduce the risk to life and significantly reduce the degree of damage caused by fire."

That is a welcome statement, but installation is not currently compulsory. Government statistics state that 70 per cent. of new-build schools are fitted with fire sprinklers, but it is not a legal requirement. Although "Building Bulletin 100" is to be commended for the importance that it attaches to sprinklers, it is not enough for the Government merely to expect new schools to be fitted with sprinklers; it should be mandatory for all schools.

The figures for 2007 show that 58 per cent. of school fires were accidental. That means that a school classed as being at low risk from arson attacks would still be at a high risk from accidental fires. In my constituency, for example, the west midlands fire service reported a 100 per cent. increase in accidental school fires in 2008-09. They could have been caused by many factors, such as an electrical fault. We need to ensure that all schools are as safe as possible for our children and to protect against all types of fire, accidental or deliberate. Fire sprinklers would help to achieve that.

It is for local authorities to determine their policy on fitting sprinklers. However, while some local authorities, such as Coventry city council in my constituency, have a clear policy of fitting sprinklers in new schools, some do not. There is no unified stance across local authorities. There is also a worrying trend that private finance initiative projects need not comply with Government guidance on this issue, as they do not come under local authority jurisdiction. For example, in Coventry, there was recently a fire at Woodway Park school. The building is derelict, but it took 60 firefighters to fight the blaze. Crucially, the PFI project next door, Grace academy, has just reopened after a fire that cost £15 million. That school does not have sprinklers. One must argue that if one school can burn down, there is an equal risk to the school next door. I do not believe that the Government envisaged PFI projects opting out of the guidance, so there needs to be a mandatory requirement.

There are many benefits associated with fire sprinklers. They reduce deaths: there have been no fire deaths in UK buildings fitted with a fully maintained sprinkler system. Sprinklers act within three to five minutes of a fire starting and help control and contain it in a small area of a building. They improve firefighter safety, as the fire is controllable. Fires are smaller and more controlled, which limits the rebuilding costs. Recent research estimates that property damage has been reduced by 80 per cent. where a sprinkler is fitted. They also have environmental benefits, as they use less water to tackle fires. It is estimated that fire hoses uses 1,000 litres a minute, whereas fire sprinklers use only 60 litres per head per minute. Water is also used more efficiently, as sprinklers act earlier.

My Bill would make a simple change that would have a huge impact on schools' fire safety. Schools should be one of the safest places for my constituents and residents around the country, and my Bill would help achieve that. Powered sprinklers are a simple, efficient way to increase fire safety in schools. They minimise the property damage caused by fire and dramatically reduce the risk to life. Many organisations, such as the west midlands fire service and the Chief Fire Officers Association support this Bill for the mandatory installation of fire sprinklers. I commend it to the House and thank the west midlands fire service and everybody associated with it.

[Mr. Jim Cunningham]

Question put and agreed to.

Ordered.

That Mr. Jim Cunningham, Mr. Michael Clapham, Mr. Brian H. Donohoe, Mr. Geoffrey Robinson, Mr. Brian Jenkins, Mr. Ian McCartney, Annette Brooke and Rosie Cooper present the Bill.

Mr. Jim Cunningham accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 23 April, and to be printed (Bill 93).

Cluster Munitions (Prohibitions) Bill [*Lords*]

Considered in Committee

[Sir Alan Haselhurst *in the Chair*]

Clauses 1 to 3 ordered to stand part of the Bill.

Clause 4

Application of section 2

4.28 pm

Mr. David Lidington (Aylesbury) (Con): I beg to move amendment 1, page 2, line 33, leave out subsection (3).

This is a probing amendment. As the Bill is currently drafted, clause 4(3) limits the application of the offences defined in clause 2(1) and (2) to British nationals and companies alone when the alleged offence relates to actions outside the United Kingdom rather than to those on UK soil. My amendment would remove that limitation and extend liability equally to people and companies that were not British and that had committed the offences defined in clause 2.

My question to the Minister is this: why have the Government chosen to include the limitation in clause 4(3) of the Bill? It is conceivable that the offences defined in the Bill could be committed by people who are resident here but who are not British citizens. Plenty of people who live here are legal but temporary residents and others have indefinite leave to remain; there are Commonwealth citizens; European Union nationals in Britain exercising their rights under the treaty of Rome; and some who have always been resident in Northern Ireland identify themselves as Irish rather than British citizens under the terms of the Belfast agreement. All those people could—hypothetically—commit one of the offences defined in the Bill, but they would seem to be exempt from prosecution in respect of an offence committed outside the UK, whereas their next-door neighbour committing the same offence could, on my reading of the Bill, be caught by it and convicted.

Therefore, the purpose of the amendment is to get the Minister to elucidate the purpose of that exclusion and to see whether the Government believe it is justified and whether they are prepared to review it.

Mr. William Cash (Stone) (Con): I share my hon. Friend's concern. He said that it is a probing amendment, but of course, in the context of the Bill, which comes from the House of Lords and is now in its final stages, the Minister's answer will have to be definitive; otherwise, it will not be a probing amendment and it will be made very rapidly.

The measure seems extraordinary, because clause 4(2) states:

"Section 2(2) applies to assistance, encouragement and inducements in the United Kingdom or elsewhere"

and clause 4(3) confines the application to conduct that arises under clause 2(1)

"and to assistance, encouragement and inducements"

that arise under clause 2(2).

However, "conduct" arises only in respect of clause 2(1) and the other matters—

"assistance, encouragement and inducements"—

apply only in respect of clause 2(2).

We are often accused—particularly those of us who are lawyers—of being rather pedantic, but the truth is that legislation is about law. I am not suggesting that the Minister would do this in the context of the debate, but it would seem rather absurd to accuse us of being either pedantic or pernickety when we draw attention to inconsistencies. There are strange aspects to the Bill, and given its object, I concur with what my hon. Friend said. I look forward to both an explanation and a definitive answer from the Minister, because we are in the later stages of our consideration of the Bill, and what he says may determine what we do after Committee stage.

The Minister for Europe (Chris Bryant): I understand the nature of the argument made by the hon. Member for Aylesbury (Mr. Lidington), but I want to explain why I think he is wrong.

Clause 2(1) applies to conduct in the United Kingdom or elsewhere—that is about conduct—and clause 2(2) applies to

"assistance, encouragement and inducements in the United Kingdom or elsewhere."

However, clause 4(3) applies to what happens outside the United Kingdom. Although it is perfectly legitimate for us to extend the provisions that we make for British people who engage in such activity outside the United Kingdom, creating an offence for people who are not British and who are from other parts of the world, over whom we therefore have no jurisdiction, would be inappropriate. Article 9 of the convention on cluster munitions, on which all our legislation has been based, obliges states parties to impose penal sanctions to prevent any prohibited activity from being

"undertaken by persons or on territory under its jurisdiction or control."

Obviously, the rest of the world is not under our jurisdiction or control. That is why we have not sought to act against foreigners abroad. We are acting against British people abroad, and against anybody in the UK, but not against foreigners abroad.

Mr. David Drew (Stroud) (Lab/Co-op): That is at the nub of the point that I raised on Second Reading. Things are not quite as simple as the Minister makes them sound. Bosnia is a classic example; in that case, cluster munitions were used by British forces, and were inevitably transferred to other forces because of where those munitions ended up. Where would we be if the Bosnians chose to use those munitions, given that we are entirely responsible for that situation? I would be happy to be told that negotiations will ensue. The Minister is looking quizzical, but that is a real-life case; cluster munitions are still there, and could be used by a third party.

Chris Bryant: I am not sure that my hon. Friend is right on that last point about there being cluster munitions that could be used by a third party there. We are destroying all our stockpiles, full stop. That will all be done by the end of 2013. We are moving forward to try to make sure that all countries sign up to and ratify the convention, so that cluster munitions become a thing of the past. It would be a step too far, and not a step that the convention requires us to take, to legislate for those who are not British and not operating in the United Kingdom.

Mr. Lidington: I understand the Minister's argument, but surely it leads us towards the following perhaps unlikely, but still possible, hypothetical situation. Two people live next door to each other in a British city. Both go abroad, commit one of the prohibited actions defined in the Bill, and return to Britain. As the action took place overseas, the British citizen could still be prosecuted, but his next-door neighbour, who is a British resident but of a different nationality, could not. That seems to introduce a contradiction into the Bill.

Chris Bryant: The hon. Gentleman rather gave away his argument, because he said at the beginning of his comments, "It's rather unlikely, but I suppose it's theoretically hypothetical." I am not very good at dealing with a "theoretically hypothetical."

Mr. Cash: I will not deal with a theoretical, a hypothetical or a speculative; as may be judged from my demeanour. I will go straight to the issue on which the Minister and I have had so many disputes—the European Union. In the United Kingdom, which is a member of the European Union, the situation that my hon. Friend the Member for Aylesbury (Mr. Lidington) has set out could easily arise. The Minister has repeatedly asserted the virtues of measures such as the European arrest warrant. There is a thing called aiding and abetting, and there is the question of accessories, too. A whole range of criminal law considerations can arise in relation to matters of the kind that we are discussing. The provisions deal with questions relating to offences—that is what clause 2 is all about. Those offences are serious. Indeed, a person guilty of an offence

"is liable, on conviction on indictment, to imprisonment for a term not exceeding 14 years",

so we are dealing with very serious matters. Will the Minister confirm that there is indeed a problem regarding the European Union?

Chris Bryant: No, of course I will not. The important point is that many other countries are already signatories. If a French person lived next door to a British person in the UK, and went to another country and engaged in the use of cluster munitions, he would be offending under French legislation. That is the general way in which all the conventions have proceeded. That is precisely the process that we adopted for the Landmines Act 1998, and there have not been significant problems in that case. Clause 3(3) is a similar, parallel, sort of arrangement, implementing precisely what was in the Ottawa convention.

Mr. Edward Davey (Kingston and Surbiton) (LD): I think that the hon. Member for Aylesbury (Mr. Lidington) has a point. If someone is permanently resident in the UK, even though they are a foreign national, they are under British jurisdiction in the UK and have British permission to stay in the UK the whole time. Is the Minister saying that it is legally impossible for us to continue that jurisdiction when they travel abroad and then return to the UK? Surely that cannot be the case.

Chris Bryant: For the most part, when a non-British national goes abroad and breaks the law in another country, obviously it is for the laws of that country to deal with them, and in the vast majority of cases, that is precisely what would happen. There is an issue, obviously, because some countries are signatories and others are not and have no intention of being state parties. I honestly suggest to the hon. Gentleman, however, that this is not the big problem that he thinks it is.

Mr. Cash *rose—*

Chris Bryant: I will give way one final time to the hon. Gentleman.

Mr. Cash: This is the Committee stage—and it is on the Floor of the House, too—so it is important that we get these things completely right. I have to say that, again, I dispute what the Minister has said. He referred to the legislation on land mines, but he, above all Members of the House, will know that that long predated the European arrest warrant. That is the reason why, I suspect, the Bill has not taken sufficient account of the legislation that currently applies.

Chris Bryant *indicated dissent.*

Mr. Cash: The Minister shakes his head, but I think he said that the land mines legislation was enacted in—

Chris Bryant: 1998.

Mr. Cash: So it predates the European arrest warrant, which means my point remains. The situation I have in mind could easily be affected by that new European arrest warrant, so there is a problem and the Minister is not addressing it—he is simply saying that we are wrong, without understanding that problem.

Mr. Davey *rose—*

Chris Bryant: I give way to the hon. Gentleman.

Mr. Davey: I do not believe the issue has anything to do with the European arrest warrant; it relates to whether British courts and British law can have jurisdiction abroad over permanent British residents who are not British nationals. This issue is directly relevant not only to the Bill but, in a way, to all aspects of law where Britain has decided to exercise jurisdiction in foreign countries in relation to British citizens—for example, when British citizens have gone abroad and committed sex offences. Such issues must have been considered before, so the Minister must be able to get some sort of briefing and guidance on this. If other legislation has dealt with the problem of international jurisdiction, how is it being dealt with in the Bill?

Chris Bryant: I think we are making slightly heavy weather of this. In an ideal world, the whole world would be ratifying this convention at the same time and we would be seeing an end to cluster munitions. There is a difficulty for us, however, because some countries are not. So, for instance, a national of a country that is not ratifying who uses cluster munitions in another part of the world—not in the UK—and who has no involvement in the UK, could, when travelling through the UK, be arrested for something that is perfectly legal in their own country and in the country where they operated. That is the difficulty that would come about were we to get rid of subsection (3). For instance, because the United States has not ratified, and—unfortunately—has no intention at the moment of doing so, American military personnel engaged in the use of cluster munitions in another part of the world could be arrested immediately when passing through the UK. I do not think that is what people really want to countenance. That is why I disagree with the amendment and urge Members to vote against it, I am afraid.

Mr. Cash: Will the Minister give way?

Chris Bryant: I have finished.

The Chairman of Ways and Means (Sir Alan Haselhurst): Order. An hon. Member may speak more than once, as indeed can the Minister.

Mr. Cash: I would like to take up the Minister's last point, in the context of a provision to which we have not referred, namely clause 4(4). The terms of that subsection are apparently in contradiction to the provisions in clause 4(3), because under subsection (4) clause 2(2) is said to apply

"whether or not the conduct assisted, encouraged or induced takes place, or (if it takes place) will take place, in the United Kingdom or elsewhere."

However, in subsection (3), which we have just been discussing—and on which I have not received a satisfactory answer from the Minister regarding the European dimension—there is a clear contradiction because subsection (4) could, in certain circumstances, displace or run parallel to subsection (3). This is a very strange piece of drafting.

4.45 pm

The Minister is just asserting that my hon. Friend the Member for Aylesbury and I are wrong, rather than giving us a considered assessment of the situation. I understand that he is not a lawyer, and that lawyers are not always right, but there is an inconsistency here. I suspect that the draftsman has gone back to the landmines legislation of 1998 and simply adopted it without having regard to the advances and changes in the law that have taken place since. It is possible that nothing will come of this, because of the probing nature of my hon. Friend's amendment, but I believe that there is a difficulty involved, and the Minister does not take us any further merely by asserting that we are wrong. We have very little opportunity to get this right, and there could be a problem with this provision in a year or so—*[Interruption.]* The Minister shakes his head, but he cannot see into a crystal ball any more than I can.

Mr. Davey: I had not intended to speak to this amendment, but the hon. Member for Aylesbury (Mr. Lidington) has convinced me by the force of his argument that there could be a problem here. I am not suggesting that we should stand in the way of the Bill making proper progress, which is why we should, unlike the hon. Member for Stone (Mr Cash), approach this as a probing amendment; there is cross-party support for the Bill.

However, right hon. and hon. Members will know that there are many non-British nationals living permanently in their constituencies. I have such people coming from many countries around the world, including parts of the European Union. They have come to this country and want to make it their permanent home, but they want to keep their original nationality. My understanding of the law is that they often have to get special papers to allow them that extra status. The Minister, in trying to undermine the arguments from Conservative Members, gave the example of an American transiting the UK being subject to arrest if the hon. Member for Aylesbury had his way. I do not think that that argument holds, however. We are not talking about visitors to this country or about people who are transiting it. We are talking about people who have special status and who have become permanent residents.

Chris Bryant: I am sorry, but that is completely and utterly untrue. There would be no distinction. Any foreigner from anywhere in the world—who would be subject to the British courts only if they were physically in the United Kingdom—would be caught by this. There would be no distinction between foreign nationals who were permanently resident or domiciled here and those who were merely transiting the UK.

Mr. Davey: The Minister argues that point with great conviction, and he might be right, but I would seriously urge him and his officials to check with the Home Office officials who have to work through the byzantine labyrinth of Home Office legislation on nationality and residence these days. The law has changed many times, and I do not know whether parliamentary draftsmen from the Home Office were involved in the drafting of this Bill, but I would urge him to take advice on this point.

Mr. Cash: I am beginning to sense that the hon. Gentleman is taking a pragmatic and sensible view of this matter. We are faced with a problem, in that the Bill is supposed to go through the Committee like a dose of salts this afternoon, but the point that he and my hon. Friend the Member for Aylesbury and I are making is about nationality and residence, about whether certain people have signed the convention, and about the interaction between the European Union and the criminal justice system that is being set up under those arrangements. There is an important point involved here, and the hon. Member for Kingston and Surbiton is latching on to it.

Mr. Davey: Perhaps we are in agreement, which might be a first, but I am not convinced that the issues regarding the European Union are so relevant to this matter, although they are part of the wider picture. I am not going to try the Committee's patience too much, as I have made my point. I hope that the Minister will go away and take further advice. I do not think that the issue should stand in the way of this legislation, but I am grateful to the hon. Member for Aylesbury for raising this important point.

Mr. John Redwood (Wokingham) (Con): I rise to support my hon. Friend the Member for Aylesbury (Mr. Lidington) and others, having listened to the Minister's response. There is a way for the Committee to distinguish between the visiting American who is changing planes in Heathrow, and the foreign resident who is paying utility bills and has an address in the United Kingdom.

Clause 4 makes it clear that the Bill is designed to regulate and control the conduct of people in foreign countries as well as at home. On this occasion, it makes a lot of sense to assert that extraterritorial jurisdiction. Most hon. Members, the Minister and I wish to see an end to this type of munition and we wish to use any reasonable legal power we can take to pursue that aim. I think it makes sense, as the Minister recommends, to assert that we need to control conduct abroad as well as at home. That confronts us, however, with the real dilemma that my hon. Friend the Member for Aylesbury raised—that it would be grossly unfair if two people resident in the UK went off and committed a crime under this legislation in a foreign country, yet only one of them could be prosecuted because only one met the rather tight definitions for prosecution in the Bill while the other one, as the neighbour, got off scot-free. That person, as the neighbour, is clearly in a different category from the American in transit, whom the Minister—I think understandably—wishes to exempt from the extraterritorial jurisdiction. I hope that the Minister will think again.

My hon. Friend the Member for Aylesbury suggests striking out the provision in subsection (3). We need something in there to make it clear who is being governed by the legislation, but it should be broader than under subsection (3)(a), (b) and (c) in order to capture the hard cases that the Minister has not dealt with.

Chris Bryant: In response to the hon. Member for Kingston and Surbiton (Mr. Davey), of course we have consulted the Home Office, which was intimately involved in the whole process. We and the Home Office are perfectly confident that this is the right way to deal with the situation. Unfortunately for the right hon. Member for Wokingham (Mr. Redwood), the only proposal on the table for us now is to delete subsection (3). No other amendment was tabled in a different direction, so my argument is simply that deleting the subsection would lead to greater hazards and would be injudicious because it would capture every foreign national operating outside the UK whenever they chose to come to the UK.

Mr. Cash *rose—*

Chris Bryant: I am not giving way again. *[Interruption.]* I am sorry, but I am not going to give way.

Mr. Cash: The Minister is not answering the question.

Chris Bryant: I am at liberty not to give way again, I'm afraid. But the hon. Gentleman has now made me lose my direction of travel, so I had better give way to him.

Mr. Cash: I am extremely grateful to the Minister. While he finds his lodestar, let me come back to a simple point. He has defined the problem extremely well and has also indicated that if there were some way of dealing with the problem, he would try to do so. Does the Minister really believe that there is no problem in respect of foreign nationals who come from the European Union, because the arrest warrant and all that goes with it does apply in these circumstances and could raise quite difficult problems in the future?

Chris Bryant: I do not accept that, because the European arrest warrant works in a very different way and is not at all relevant to this discussion. In fact, the vast majority of European countries—I hope all European countries—will sign up to the convention and will ratify it in fairly short order. France and Germany already have. The nationals of those countries will already be caught by the legislation in those countries, so there is no need for us to legislate to make provision for the French, German or Italian person who is going abroad. That is why I believe that the amendment is unnecessary and why it would be inappropriate to accept it.

Mr. Lidington: This has been an interesting short debate, not least because of the historic concordat between Kingston and Surbiton and Stone. That is unprecedented in the annals of the House. I accept the point that the Minister put to the House: the purpose of the Government's drafting had been to protect citizens of countries that have not subscribed to the convention. He referred to visiting American citizens who might even have been acting under orders in handling cluster munitions, which would be lawful in the United States but would not be lawful here, if the Bill becomes law.

However, that leaves us with the difficulty that I sought to identify in my amendment and that the hon. Member for Kingston and Surbiton (Mr. Davey) and my right hon. Friend the Member for Wokingham (Mr. Redwood) have both probed in greater detail: people who have permanent rights of residence in the United Kingdom but who would be exempt from certain categories of offence under the Bill, whereas British citizens would be covered. With all respect to the Minister, it is not correct that every member state of the European Union has signed up to the convention. In particular, Poland—the United Kingdom has a significant Polish community—has declared that it has no intention of signing or ratifying the convention on cluster munitions. Although the Minister said that corresponding legislation in other European countries would close the loophole that I and others have identified, his case is not as watertight as he made out.

Mr. Redwood: Will my hon. Friend confirm from the Front Bench that were the Minister to come up with a way of dealing with the problem, the Conservative party would give it fair and easy passage if it appeared on a future Order Paper before the House breaks?

Mr. Lidington: I am happy to give the assurance that my right hon. Friend seeks. Subject to your discretion, Sir Alan, it is even possible for that to happen later today, as my understanding would be that if an amendment were passed in Committee, including the Government amendment, we would proceed to Report, when it would be open to the Chair to accept manuscript amendments from the Minister or any other Member. That might provide us with a route to solve the problem identified by Opposition Members, to which the Government have not yet provided a wholly persuasive answer.

Mr. Cash: In referring to Opposition Members, not necessarily of the same party, I think my hon. Friend was fairly careful not to include me. I hope that was not because he was embarrassed to have to agree with me on a matter relating to the European Union, and in this case the European arrest warrant, but he should not be so cautious. Does he not agree that clarification is required, and that the mismatch between the convention and the European Union is a problem? We are within the framework of European law, so the matter requires amendment. Adding the words, "notwithstanding the European Communities Act 1972" might be a convenient amendment to table on Report.

Mr. Lidington: I will not commit myself to putting my name to such an amendment at this stage, but I agree with my hon. Friend that the questions he posed have not been answered in full. As he suggested earlier, the number of years that have elapsed since the House voted to implement the landmines convention gives us cause to pause and reflect on whether the design of the legislation needs to be updated.

5 pm

Chris Bryant: I want to be as helpful as I can, and I should like to be able to consider the idea of a manuscript amendment that would help us along. If, however, we were to include a fourth category of UK residents, we would immediately be in conflict with international legislation on jurisdiction. That is why, in my view, it is legally impossible to separate the two categories that the hon. Gentleman wants—US personnel travelling through the UK who have done something elsewhere but have no residence here, and foreign nationals who happen to live here.

Mr. Lidington: The Committee is in some difficulty, because our time is limited, and this is the only opportunity that we shall have to debate the detail of the Bill. We must therefore take on trust the Minister's assertion that the international legal provisions are as he has described them.

Mr. Redwood: It is difficult for us to accept that, given the number of gradations of status for tax purposes in this country, which are well defined in British law and which have been subject to considerable interest recently.

Mr. Lidington: There are certainly many gradations of tax status. There are also—as the hon. Member for Kingston and Surbiton said, and I can vouch for it from my own constituency experience—many gradations in the rights of foreign nationals to reside within the United Kingdom, permanently or for particular lengths of time, unconditionally or subject to various conditions imposed by the Government.

Mr. Cash: There is also the question of the defence that might be raised in relation to what the Bill defines as an offence. I see that my hon. Friend is reaching for clause 9, and he is right to do so. Clause 9 provides a defence for a person charged with an offence in certain circumstances when international military operations and activities are taking place. A problem could be posed by a person who came from within the European Union, but fell within the provisions of clause 9. Does my hon. Friend agree that there is a serious question mark over this—that is all we are saying at the moment—and that the issue needs to be resolved so that that some people do not get away with it while others are implicated?

Mr. Lidington: My hon. Friend has made a good point, which illustrates the extent to which legislation benefits from detailed scrutiny. It is a pity that we have

not been allotted enough time to scrutinise this Bill sufficiently today. The facts that it has cross-party support and that no party wishes to slow its progress to the statute book should not prevent us from trying to examine its detailed implications, particularly as it creates new criminal offences that would bind British citizens.

Having listened to the debate, I return to the point with which I began in my opening contribution. Amendment 1 is intended to probe. I shall reflect further on what my hon. Friends and other members of the Committee have said about the possibility of a manuscript amendment should we proceed to Report, and I hope that the Government will reflect further on clause 4(3) and the possibility of a redefinition that might fill the gap that we have identified.

I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 4 ordered to stand part of the Bill.

Clauses 5 to 8 ordered to stand part of the Bill.

Clause 9

INTERNATIONAL MILITARY OPERATIONS AND ACTIVITIES

Question proposed, That the clause stand part of the Bill

Mr. Redwood: It would be helpful to the Committee if the Minister gave an explanation of how likely he thinks the defence in the clause would be and how likely it is that it represents some form of block or impediment to the intention of the Bill. The proposal relates to international military operations and to where members of the UK forces may be involved with other states that are not party to the convention. How big a loophole might this be, as against the intention of trying to get rid of the weapons?

Mr. Cash: I would like to take up a point made by my right hon. Friend the Member for Wokingham (Mr. Redwood) to which I alluded at Second Reading. It struck me at the time that the proposal was a significant loophole that had been devised for a specific reason: the Government's embarrassment at the fact that some of our allies do not agree with them. Poland has been mentioned and I suspect that other allies are deeply worried about this measure. I invite him to tell us which ones they are so that we can get a better idea where the difference arise.

In legislation on criminal offences, it is extremely important to have consistency and for the criminal law to apply equally to all those affected by it. This is not just about the merits of the question of cluster munitions; it is about whether the prohibitions, included in brackets in the Bill's title, apply with equal effect under criminal law to all those against whom it is intended to apply.

It is clear that United Kingdom nationals might fall within the terms of clause 4. Also, the range of people who have the opportunity of defences arising from clauses 5, 6, 7 and 8 have half a let-out. Clause 9 must be seen in the context of greater convergence of military matters, some of which I disapprove of because I believe in alliances and not locking in under St. Malo agreements and things of that kind. We must bear in mind the fact that there is talk of a European army; I do not think that the Minister will disagree with that. Joint operations that apply can be in conflict with matters arising from activities in the Balkans and other parts of the world where cluster munitions are already a recognised problem, which is why the Bill is being introduced in the first place. The object of the Bill is significantly undermined by the degree of exemptions, qualifications and offences and by the European dimension. I know that the Minister does not like to hear these truths, or this realistic analysis.

Mr. Redwood: My hon. Friend has made a better study of this than me and is a trained lawyer. Does he agree that members of the United kingdom armed forces could handle and be involved with cluster munitions if they were in joint operations with a state that was not party to the treaty?

Mr. Cash: Absolutely. Some people are not familiar with and simply do not know about the St. Malo agreement and the structure of the extremely detailed operational framework that has been created—I invite them to examine it when this debate is over—whereby commanders come from different countries and orders are given by people to others of different nationalities. We must also consider the south Mediterranean military framework. The bottom line here is that on a raft of matters serious interaction takes place between different nationalities, in terms not merely of alliances with separate lines of command, but of the interaction and integration of operational activities involving the line of command of a military operation. As clause 9 states,

"'military operation' includes any naval or air force operation."

Thus, we are dealing with all the services, with all the different nationalities and with different criminal criteria, which apply in different countries under the convention, yet the convention itself is interactive with the European Union.

I have mentioned the European arrest warrant as but one relevant example, and I simply make the point that it is extremely important to bear certain things in mind. The Minister does not listen to the arguments because he has made up his mind that this is going to go through anyway—that is his problem. Although he happens to be rather a nice Minister, he is very assertive about the things in which he believes passionately. The very mention of the word "Europe", or any slight indication that there might be something awry in the drafting of a Bill for which he is responsible and that suggests that there might be something amiss with the European dimension of it, is enough to send him into a spasm.

There are problems on this issue. I have made my point. I simply repeat that this stand part debate has raised important questions and these things will come home to roost. I do not think that we have yet been given an answer—

Chris Bryant: I have not spoken about this yet.

Mr. Cash: Indeed the Minister has not spoken about this yet, but I can almost predict that he will take exactly the same line as he has previously, and he will do so in the knowledge that barring the tabling of a manuscript amendment, we will have almost no time or opportunity to do anything about it. That is not good law-making.

The Chairman: Order. I have heard of predictive text, but not of predictive speeches. I call Mr. Lidington.

Mr. Lidington: My question to the Minister is rather narrower than the important issues raised by my right hon. Friend the Member for Wokingham (Mr. Redwood) and my hon. Friend the Member for Stone (Mr. Cash). My understanding is that clause 9 intends to make it possible for British armed forces to continue to take part in joint operations with allied powers—the United States and others—which have not ratified the convention on cluster munitions and which still have such munitions in their arsenals. Active military operations these days involve not only members of the armed services, but often civilian staff, and perhaps contractors' staff, who are working under military discipline while providing support and ancillary services to Her Majesty's armed forces. Are civilians working with the armed forces on those operations every bit as covered by the protection given by clause 9 as soldiers, sailors and airmen themselves?

Chris Bryant: You referred to predictive texting and predictive speeches, Sir Alan. Earlier today, I tried to send a text to somebody to ask them whether they would like a meal tonight. Unfortunately, predictive texting can change that to, "Would you like a neck this evening?" That came as a bit of a surprise.

The direct answer to the hon. Member for Aylesbury (Mr. Lidington) is that he is absolutely right: this provision does apply to civilians too. I am sure the hon. Member for Stone (Mr. Cash) knows that the clause mirrors very precisely the provisions under article 21.3 of the convention. As he rightly says, so many military operations around the world now are joint operations between many different countries, some of which will be state parties that have signed up to the convention and some of which will not. Thus, the whole aim of the clause is to ensure that there is no legal peril for those states' members—military personnel—who are engaged in those alliances. Otherwise, that would simply dismantle military alliances—

Mr. Cash *rose*—

5.15 pm

Chris Bryant: I will give way, if the hon. Gentleman will let me make a little further progress with my argument.

That is why we have made this provision. Otherwise, the danger would be that British personnel would be constantly at legal peril in relation to their work not only with the United States of America but with Poland and a series of other countries that retain the use of cluster munitions.

Mr. Cash: I am grateful to the Minister. In fact, the EU dimension that I have mentioned, which causes some hilarity with him, is a serious one. He knows that. A priority for EU member states that have signed or ratified the convention will be to persuade other EU members to sign it—he has indicated as much himself, and he said that he thinks that they will do so. Finland, Poland, Romania, Estonia, Latvia, Slovakia and Greece are yet to sign. Some of them might have signed since the information that I have in front of me was produced—I do not know, but perhaps the Minister could elucidate. Poland, as he rightly says, has explicitly indicated that it does not intend to sign, but Finland, Estonia and Slovakia were among the countries that adopted the convention in May 2008. There are some hopes that they will sign—I do not need to go into the distinction between signing and ratification with the Minister, but he knows that it can be a serious obstacle.

Chris Bryant: Absolutely. We hope that all countries will sign and ratify the convention and that they will take their obligations seriously. We certainly take seriously our obligations to try to persuade all other countries to move towards ratification. Key among those countries are those with which we work most closely in military operations—not least the United States of America, but also European Union countries such as Poland. I would refer to two other countries as key: Turkey and Brazil.

Mr. Cash: What about Georgia?

Chris Bryant: The hon. Gentleman mentions Georgia and it—and Russia, for that matter—is likewise key.

The reason for having this clause is that we would imperil our British armed forces in most of the operations in which they engage if it was not included in the Bill.

Mr. Redwood: I am very keen that we do not imperil and put at legal risk our forces when they are doing their duty. I favour the purpose, but I think that we need to know a little more about the extent to which the protection of armed service personnel will get in the way of the noble intention, which is to get rid of this type of munition in our activities. Under this law, does the Minister envisage that British forces will be instructed not to handle these munitions in any combined operation and to leave it to their allies if they are going to use them, or will they be allowed under our instructions to handle these munitions when one of our allies has decided to use them?

Chris Bryant: That is a fair point, but the word "handle" could stretch its meaning in many different ways. That is why we want to ensure that there is legal certainty for our armed forces. The convention and the Bill would not allow British armed forces to use cluster munitions, despite the fact that they were in a coalition. They would not be allowed to request the use of munitions where the choice of munitions was within their exclusive control.

We do not expect that the British armed forces would suddenly say, "I'm sorry, we are not going to allow that aeroplane to land on this airstrip because we know that it is an American aeroplane that has used or might be going to use cluster munitions or that has them on it." The point is about where we have exclusive control, and that is key, but, in addition, the very fact that we have said that we will ratify the convention and the fact that the United States of America has decided to review its cluster munitions means that there will be no American cluster munitions in the UK.

Mr. Cash: Is the Minister aware of any of the problems relating to cluster munitions arising in a far more imminent field of operations that we are continually concerned about—in Afghanistan? Much of what goes on there is affected by what happened when the Russians were there. Will the Bill apply in relation to the safety of our forces, the line of command and our relationships with other nations within NATO as well as with the United States?

Chris Bryant: It will indeed. That is a further reason why we think it important to provide the legal certainty that is enshrined in this clause. For that reason, I strongly hope that the House will support the retention of this clause in the Bill.

Mr. Redwood: We have not had a very full explanation from the Minister. Of course my colleagues and I share his wish that our forces should not be placed in impossible positions in combined operations and that they should have the legal protection they deserve. They are fighting soldiers in those situations and are not expected to be lawyers, so we need to ensure that they are legally protected.

The Committee is also owed a fuller explanation of how much of a limitation there will be, because we are doing this with some allies but not with others. Anyone studying this area will come to the conclusion that the prohibition on these nasty munitions will work only if all the main countries of the world do the same; it cannot work if a limited number do not play along.

Mr. Cash: I do not know whether my right hon. Friend has noticed this, but clause 34(1) states:

"This Act comes into force on the day on which it is passed."

For practical purposes, from the moment the Bill goes through, which will presumably be today, our forces in Afghanistan will be affected by its implications, let alone by any other considerations that we have already discussed, looking more to the future.

Mr. Redwood: Indeed. I hope there will be proper guidance and briefings for all our military personnel who might become involved in combined operations with allies. This area will clearly be complex. As the Minister has begun to hint to us, there is a whole gradation of things that could happen. I am glad he says that we will not say to our allies, "You've got cluster munitions, and we think we should use them in this particular circumstance," as it would clearly be against the spirit and intention of the legislation for our armed forces to do that. However, there is a whole series of other situations in which our armed forces could act against the spirit of the legislation because of combined operation. Those in junior command positions could be instructed by senior commanders from allied forces that they need to operate those types of munition. As the Minister has said, our forces could have to facilitate the transport of offensive weaponry, which could include a cluster munition package, or they could be on a battlefield on which our allies are using those weapons but our section is not.

Of course, I am very much in favour of the intent of the legislation, but we have to be realistic. We must understand that if we are doing this in a set of complex alliances in which not everyone is agreement, we owe it to our forces not only to give them legal protection—I hope that the measure gives watertight and good protection—but to set out how they should operate day by day where we do not have complete agreement with our allies about getting rid of those weapons.

Mr. Davey: The points that the right hon. Gentleman has made are right. We need to ensure that our forces have clear guidance and are protected in case allies on the same operations use such weapons. There is no way that we should have any situation in which our armed forces could be prosecuted because allied commanders have decided to use those weapons. However, another way of looking at this is that, as Britain is signing up to the convention and because we work with so many allies, we might be able to spread good practice and persuade others to come into line with us and eventually sign the convention. One of the many advantages of working with NATO and our European partners is that we can try to encourage them. My understanding of the convention that lies behind the Bill, and which we have signed, is that we now have a duty as a country to promote the convention and encourage others—states and non-states—to sign it. Although the interoperability point raises concerns for our servicemen and women, it is also an opportunity to try to get the convention taken up more widely.

Chris Bryant: The truth is that we would not have the convention if it had not included the interoperability provision. It was a key part of the brokerage that the Prime Minister advanced in Dublin. All the voluntary organisations calling for a cluster munitions convention were delighted that we managed to achieve it, and have, therefore, been supportive of the interoperability clause. As article 21(2) states:

"Each State Party shall notify the governments of all States not party to this Convention...and shall promote the norms it establishes."

In other words, states parties have to make sure that any other states with which they are working understand the basis on which their personnel will be engaged. Yes, the right hon. Member for Wokingham (Mr. Redwood) is completely right to say that we have to make sure there is clear guidance for personnel, so they know exactly what they can and cannot do. That is already in hand. Consequently, Sir Alan, I very much hope that the clause will stand part.

Question put and agreed to.

Clause 9 accordingly ordered to stand part of the Bill.

Clauses 10 to 15 ordered to stand part of the Bill.

Clause 16

POWER TO ENTER PREMISES AND DESTROY IMMOBILISED PROHIBITED MUNITIONS

Question proposed. That the clause stand part of the Bill.

Mr. Redwood: We are rushing through these clauses, so it would be helpful if the Minister explained why so many of them relate to premises in the United Kingdom and what the position would be if the weapons were overseas. We have already discussed—briefly—the fact that many of the cases that might arise under the legislation could do so as a result of events that take place outside our country, but relate to British nationals. What powers, if any, are there to establish the nature of the crime if it takes place outside the UK?

Chris Bryant: We do not seek to introduce new powers in British legislation for us to have access to buildings and properties in other parts of the world. Other countries would probably declare our power to do so rather ultra vires.

Question put and agreed to.

Clause 16 accordingly ordered to stand part of the Bill.

Clauses 17 to 20 ordered to stand part of the Bill.

Clause 21

POWER TO SEARCH AND OBTAIN EVIDENCE: ISSUE OF WARRANT

Question proposed, That the clause, stand part of the Bill.

Mr. Redwood: I come back to the point that we have just briefly debated, because it is also relevant to this clause. The Minister said, understandably, that he cannot assert jurisdiction abroad, but could he tell us what arrangements he intends to put in place, should the legislation pass, for collaboration with overseas jurisdictions? It is much more likely that an offence under the Bill will take place outside the United Kingdom than inside. How would the evidence be garnered and the case presented, given, understandably, that none of the powers relating to the UK can relate to a possible offence in an overseas jurisdiction?

Mr. Cash: The issues that we have already discussed have been covered as adequately as we can, given the constraints of time and opportunity. We put the arguments on the record. It is the Minister's responsibility to make sure that there is no uncertainty and that we have answers to the questions that we pose.

5.30 pm

Chris Bryant: I am not sure what charge, allegation or accusation was implicit in the comments of the extremely charming, assertive, aggressive, but usually wrong hon. Member for Stone (Mr. Cash).

The right hon. Member for Wokingham (Mr. Redwood) is right to say that we need to make sure that it is possible to investigate. Of necessity, in other jurisdictions in times of war, that will be a complicated process because there will be many different actors involved—that is to say, many different countries will potentially be involved, some of which will be states parties and some of which will not. That is why, when the convention was being drawn up, we were keen to make sure that the requirement was included—that it was not just a matter of an individual country signing up, but that it had to commit itself to trying to make sure that the rest of the world abandoned cluster munitions as well.

It is obviously difficult for us to advance that argument in jurisdictions which have not ratified the treaty, have no intention of doing so and are determined to use cluster munitions indefinitely. The right hon. Gentleman referred to the situation overseas. We have jurisdiction over some overseas territories, which we may debate later. There we are keen to advance, in the same way as in the United Kingdom, but subject to the constitutional arrangement that we have with each of the overseas territories.

In this context, I do not think there is a genuine peril. It is difficult for us to announce legislation that has effect in Afghanistan, except in so far as it affects British nationals.

Mr. Redwood: Let us consider a country such as Afghanistan. Let us suppose that British troops broke our law and initiated the use of these weapons contrary to what the Minister, the law and their commanding officer said. Would that be a matter for military discipline or would those troops face a civilian trial at home? Who would collect the evidence? The most natural people to do it would be their commanding officers.

Chris Bryant: Those troops would have committed a criminal offence, subject to up to 14 years' imprisonment and/or a fine, as was mentioned earlier. It would be the police who investigated, and the usual HMRC procedures would be used to bring a prosecution, if that were possible.

Mr. Cash: When we are dealing with questions of evidence, we have to admit that there is not only the question of the arrest warrant, which I have already mentioned, but the evidence warrant directive. That has raised many problems. I have served on the European Scrutiny Committee now for 26 years. Over that time I have seen many problems which, when they were first identified, were considered fantasy for the future, but which have come true. Does the Minister accept that there are serious problems with the clause? The question of evidence and the power to search in relation to these matters, with the legal uncertainty that we have established in Committee, are aspects that he will have to examine carefully.

Chris Bryant: Twenty-six years is considerably longer than the hon. Gentleman would get for using cluster munitions. He should feel that at some point he might be released by the Whips from his obligations on the European Scrutiny Committee, but I have a sneaking fear that he likes serving on the Committee.

As I said earlier to the right hon. Member for Wokingham, it is difficult for us to legislate for the British police to have specific powers in specific countries around the world. However, when a country is also a signatory, co-operation will obviously be more straightforward and simple.

Mr. Drew: On that point, will my hon. Friend give way?

Chris Bryant: Of course. Another cellmate.

Mr. Drew: The hon. Member for Stone (Mr. Cash) and I make interesting cellmates.

I understand what the Minister is saying on that issue, but what happens when British forces are involved in action with a non-signatory country that decides to use cluster munitions? That situation is not impossible to envisage, and if it is likely to happen what protection will British forces have?

Chris Bryant: My hon. Friend is a splendid chap, but I think he missed the debate on clause 9, which we have already decided will stand part of the Bill, and which lays all that out pretty clearly. He is absolutely right to highlight the issue, but I am afraid that he has missed that particular part of this boat.

Without further ado, I hope that clause 21 will stand part of the Bill.

Question put and agreed to.

Clause 21 accordingly ordered to stand part of the Bill.

Clause 22 ordered to stand part of the Bill.

Clause 23

DISCLOSURE OF INFORMATION

Question proposed, That the clause stand part of the Bill.

Mr. Cash: Just by looking at the clause, I note that its origins and inherent problems clearly involve questions of terrorism, because it deals with section 18 of the Anti-terrorism, Crime and Security Act 2001, which

applies to matters that are dealt with under the Bill. Subsection (2) also deals with section 17 of the 2001 Act, and there are very big problems. The Minister will understand what I am saying, because many issues that arise in relation to cluster munitions in Afghanistan, for example, are affected by activities on the boundary between Pakistan and Afghanistan. Furthermore, it so happens that there are Afghanistan matters relating to fundamentalists, who also have operations that could and, as far as the intelligence services are concerned, certainly will have implications for the United Kingdom.

There is a question that we need to bear in mind, therefore, but I shall not go any further than this at the moment. The clause states:

"(1) This section applies to information if

(a) it was obtained under, or in connection with anything done under, this Act or the Convention, and

(b) it relates to a particular business or other activity carried on by any person."

There are qualifications about disclosure and the exceptions to that disclosure; again, there is an issue about the seriousness of the offence in question; and there is also the context of the uncertainty that, I believe, the Bill itself creates.

I understand the objectives and, like my right hon. Friend the Member for Wokingham (Mr. Redwood), I happen to support the Bill. It has good intentions, but the Minister is making a discovery or, at any rate, will do so, because he has been rather impervious to the arguments this afternoon. I understand why: he has nowhere to go and is in a cul-de-sac. I simply make the point that although he puts forward a series of assertions that, "The Opposition are wrong and, in particular, the hon. Member for Stone is wrong," it does not alter the fact that he cannot answer the questions and there is no time in which to do so. I understand the dilemma and the problem, but we will simply watch the clock tick and see whether in due course some of those issues arise.

The Minister has had to make an acknowledgement in the course of these proceedings. He started out by suggesting that any opposition was all nonsense and nothing that anyone would say would make any substantial difference, but the Liberal Democrats, my Front Benchers, my right hon. Friend the Member for Wokingham, the hon. Member for Stroud (Mr. Drew) and I have all been raising issues, not just to be difficult, but because there is uncertainty.

The uncertainty is inherent in the mismatch between the convention; the European Union; British domestic law; the whole question of the interaction of criminal activities, international operations, alliances, and command and control; and the fact that the people who will get caught up in this are those whom we least want to get caught up—in particular, soldiers on the ground. This is not just about some kind of theoretical exercise, and it is not even about land mines: it is about cluster munitions, which are part and parcel of tactical weaponry that has been used and that some countries intend to continue using. When British soldiers, who should be our main concern, are given orders, or when such information is made available, they will get caught up in this complex web of legal conduct.

Is the Minister able to tell us that very clear guidance will be given, in a manual, for the services—not only the Army but the Navy and the Air Force? However persistent and tenacious I may be on this subject, my prime concern is to protect the British soldier, and the Minister has an obligation to tell us that there will be a manual that accurately describes the relative responsibilities and duties in the very complex web of military operations that will arise from this legislation.

Chris Bryant: The hon. Gentleman must have slipped out of the Chamber when I answered a similar question from the right hon. Member for Wokingham (Mr. Redwood) about what guidance will be provided for our personnel. The hon. Gentleman is absolutely right that it is imperative that we produce unambiguous, clear, straightforward guidance for our personnel so that they know how to avoid moral and legal peril. That is also why we have tried to construct the legislation in a way that ensures that our British personnel, although they may frequently be operating alongside personnel from countries that still retain cluster munitions, are not imperilled. He said that I was in a cul-de-sac, but I am afraid that in relation to clause 23, on the disclosure of information, he is in a cul-de-sac. He has not tabled any amendment, so I am not sure why—or whether, for that matter—he disagrees with the clause standing part of the Bill.

Mr. Cash: We are debating clause stand part. It was my intention, in line with the remarks of my hon. Friend the Member for Aylesbury (Mr. Lidington), to conduct these Committee proceedings, and indeed the Report stage to come, on the basis that we have supported the Bill and that we want it to work, but we expect the Minister to answer our questions, which is his responsibility in an accountable Parliament. We are not just probing; we are challenging, but it is not necessary to table an amendment to achieve that objective. The Minister may be slightly out of order in suggesting that I should have tabled an amendment on clause stand part.

Chris Bryant: I would not dare suggest that the hon. Gentleman table an amendment, or do anything in particular. My point was that I find it difficult to know precisely the nature of his question about disclosure of information. We believe that it is important, in line with the provisions of the convention, to protect information that may be gathered in the process of implementing the Bill and the convention, and that is why the clause is in the Bill. I did not understand from his remarks that he was opposed to that provision, which we believe to be important.

Mr. Drew: I shall try to be helpful so that I am not chided for missing something. If I understood correctly what the hon. Member for Stone (Mr. Cash) said, I certainly concur with it. He was saying that British forces must have very clear rules of engagement, which must be understood by any allied force with which we are involved. They must preclude the use of cluster munitions, even if that other allied force is willing to use them. Otherwise, British service people could be subject to the will of the Bill.

5.45 pm

Chris Bryant: I am afraid that that has nothing to do with clause 23, which is about the disclosure of information. My hon. Friend is absolutely right to say—I have tried to make this point a couple of times now, and I will take a third stab at it—that there have to be clear and unambiguous guidelines for British personnel. Those

[Chris Bryant]

guidelines have to be available not only to our personnel, so that they fully understand the position that they are in and what they can and cannot do, but to forces of other nationalities with whom we are operating.

As I said earlier—I think my hon. Friend missed it—it is right that we should ensure that where British personnel have exclusive control over what munitions are used, they do not seek the use of cluster munitions. However, it would not be right for British troops to refuse to use an American aeroplane in Afghanistan, for instance, because they knew that it had been or might be used for cluster munitions at some point. That is a clear distinction that is laid down in the convention and the Bill, although not in clause 23, which I hope will stand part of the Bill.

Question put and agreed to.

Clause 23 accordingly ordered to stand part of the Bill.

Clause 24

CONSENT TO PROSECUTION

Question proposed. That the clause stand part of the Bill.

Mr. Cash: This is a very important clause, because when we bring all the arguments that we have addressed so far down to the crunch, the question is whether a prosecution would ever actually be pursued. Consent for any prosecution would have to be given by the Attorney-General in England and Wales or the Attorney-General for Northern Ireland, but I believe that only yesterday, there may have been a change to the latter post. There is apparently a new provision for an Advocate-General in Northern Ireland in relation to justice and policing. I may be wrong, but I took part in the debate yesterday and I believe that there is to be a change in the nomenclature for a person who carries out the functions specified in the clause. The hon. Member for Foyle (Mark Durkan), who knows far more about the Northern Ireland provisions than I do, might want to intervene and help me out.

Mark Durkan (Foyle) (SDLP): It is not often that I am called in aid by the hon. Gentleman, so there is a blue moon this evening. Under devolution, there will be a devolved Attorney-General for Northern Ireland, but the Attorney-General in London will for certain purposes serve in the role of Advocate-General for Northern Ireland. The Advocate-General for Northern Ireland will be the Attorney-General here in London and will deal with such matters as national security. The Attorney-General for Northern Ireland will deal in the main with matters under devolved law.

Mr. Cash: I am extremely glad that the hon. Gentleman is here, by an accident of fate, because that has helped me, and I believe the Committee, to understand the matter. I suspect that we may still require an amendment. I am not sure about that, but no doubt the Minister will look to those advising him to decide whether that is the case. I see a lot of shaking of heads, and I will be delighted if this minor matter of nomenclature alone does not lead to the Bill's being held up unnecessarily.

That is not to say that the question of consent is not important. I would be interested to know what discussions the Minister has had with the Attorney-General, because this provision is not a cul-de-sac but a longstop. Given what we regard as the uncertainties in the law that we have discussed this afternoon, he must have discussed with the Attorney-General in what circumstances the latter's consent would be required, so as to ensure that proceedings on an offence could be halted where necessary.

What are those circumstances? Do they relate to the complications that we discussed in the debate on clause 9 and the intricate web of conventions, EU law, English domestic law, the role of the Attorney-General, and the changes to that role made by the Constitutional Reform and Governance Bill, which is currently in the House of Lords? Those issues are extremely important to the soldiers on the ground and their commanders. Indeed, they are important for the rules, guidance and manuals that the Minister kindly told us he has addressed. Those matters are important, but right at the heart of them is this question: what indications has the Minister had from the Attorney-General as to when she will or will not give consent?

Chris Bryant: We could have left out clause 24, which would have meant that the Attorney-General had no role to play. However, there are several reasons why we decided that it was important to include such a measure, the first and foremost of which is the severity of the penalty, which, as has been cited, is up to 14 years' imprisonment. Secondly, there is an extra-territorial element to the Bill, which means that a much more complicated set of decisions must be made before a prosecution can go ahead. Thirdly, in legislation such as the Landmines Act 1998, we have included a similar provision to require the Attorney-General's consent.

I am not particularly troubled about the Northern Ireland-UK dimension, because the prosecution of someone in Northern Ireland could in any case be started in England and Wales. I therefore do not think that any further amendments are necessary.

Mr. Cash: I am very glad in one sense to hear what the Minister has just said. On whether consent for prosecution would be given, he has admitted that there are serious questions in the context of the complexity of the Bill—he earlier implied that I was making too much of a meal of that. The consent of the Attorney-General would be required in the circumstances that I described and, as the Minister said, the offence is very serious, with 14 years on the line, so who is and is not guilty and the question of their intent—mens rea—must be defined.

There are other very important questions, including whether there are accessories, aiders and abetters, and whether a particular commander, foot soldier or other was involved. The severity of the criminal offences might in almost every case be aimed at members of our service personnel, so those questions are important.

I would assert that our job in this Committee is to try to protect those who might otherwise be unfairly or unreasonably caught by the provisions because of what the Attorney-General decides.

Mark Durkan *rose—*

Mr. Cash: I give way to the hon. Gentleman.

Chris Bryant: I thought that it was still my speech and that the hon. Gentleman was intervening; I gave way to him, so he cannot give way to my hon. Friend the Member for Foyle (Mark Durkan).

Mr. Cash: On a point of order, Mrs. Heal. I apologise to the Minister, because I thought that he had finished his speech. The Annunciator might not say that he has done so, but that does not mean that that is right.

The First Deputy Chairman of Ways and Means (Sylvia Heal): Order. I thought that the Minister was intervening on the hon. Member for Stone (Mr. Cash).

Chris Bryant: I hope that you meant that the other way round, Mrs. Heal, but anyway, now that we have cleared that up, the hon. Member for Stone (Mr. Cash) is absolutely right to say that the issues are complex. I have never wanted to question the fact that the application of the measures and their inter-operability is complex, which is why I have had discussions with the Attorney-General. We would want to prosecute wherever we can.

I should just say that the hon. Member for Stone made one inadvertent mistake. He said that using a cluster munition and aiding and abetting are two different offences, but they are actually the same under clause 2.

Mark Durkan: I thank the Minister for giving way; he is very generous—and creative.

Other hon. Members have referred to the possible impact of the measures on members of the armed forces. Of course, businesses and firms that conduct activity that is questionable under both the convention and the Bill will also be affected. The Minister stated that he had discussed that with the Attorney-General and that the Government were determined that prosecutions would take place where possible. Does the issue of public interest arise? Is there a possibility that prosecutions of firms under the Bill will be stayed because the Prime Minister or someone else intervenes owing to so-called public interest considerations, as in the case of the Serious Fraud Office investigation of BAE Systems?

Chris Bryant: The Attorney-General's role is different from that of a politician. A politician might come up with all sorts of arguments for what they want, but the Attorney-General will decide on the basis of law whether she wants to proceed with an individual prosecution. I do not think that my hon. Friend expects me to state on her behalf when she will and will not give her consent.

As I said, we take our commitments under the convention extremely seriously, and we want to ensure that cluster munitions become a thing of the past. That means that investigations into companies that are thought to be flouting the law could begin—if so, we would expect full compliance as quickly as possible. I very much hope that clause 24 will stand part of the Bill.

Question put and agreed to.

Clause 24 accordingly ordered to stand part of the Bill.

Clauses 25 to 28 ordered to stand part of the Bill.

Clause 29

POWER TO MODIFY ACT

Question proposed, That the clause stand part of the Bill.

Mr. Lidington: I want to ask the Minister why he believes that the pretty draconian enabling powers in the clause are necessary. The clause gives the Secretary of State power, by means of a statutory instrument subject to the affirmative procedure, to amend not just the Bill, once it becomes an Act, but any other enactment, past or future, and any Act of the Scottish Parliament, the National Assembly for Wales or the Northern Ireland Assembly, if he considers it necessary or desirable to do so because of amendments to the convention on cluster munitions.

6 pm

The kernel of my challenge to the Minister is this: why does he need the powers, given that the Bill is proceeding with cross-party support? One assumes that any later amendment to the cluster munitions convention would also have pretty broad-based support, both in the House and internationally. In those circumstances, why can we not simply rely on full parliamentary procedures? That would allow proper time for scrutiny, for detailed inspection of the Government's legislation, and for the meaning of the proposed change to be elucidated in full.

The Minister and I both know that often, statutory instruments are passed with no debate at all. In the House of Commons, at best we are talking about a 90-minute debate upstairs in a Committee Room, with a select group of Members of Parliament, as opposed to the whole House being given the opportunity to comment on new legislation proposed by the Government. Why is there need for such an enabling power? Surely primary legislation is a perfectly adequate vehicle.

Mr. Cash: Obviously, I agree with what my hon. Friend has said, but I would simply add a point. He refers to a Committee upstairs, but having sat on the Select Committee on Statutory Instruments, I know exactly what happens; it is really a kind of dose of salts. I do not want to be disrespectful to the Committee, but when I was on it, I was concerned at the fact that a lot of statutory instruments went through rather easily. We are talking about a statutory instrument that would involve the modification of the Bill. That statutory instrument would be subject to the affirmative procedure, but that in itself is no safeguard.

My hon. Friend is right. If the Bill were modified, there would be issues in the light of the complexities that the Minister now accepts are inherent in the Bill, the interaction of alliances, conventions, different jurisdictions, kinds of law and judicial attitudes, and the whole question of responsibility for control and command. There are also questions that go outside the normal courts; for example, we have not mentioned courts martial at all, but that issue could arise in the context of the matters that we are discussing. I wonder whether the Attorney-General might not be in some difficulty in that respect.

We are talking about serious questions and offences with substantial penalties. Subsection (1) says:

"The Secretary of State may by order...make such modifications"

this is the crucial set of words

"as the Secretary of State considers necessary or desirable to give effect to any amendment of the Convention made in pursuance of the...Convention."

As for the words "considers necessary or desirable", we have been through that issue before. Anyone who has had experience of this House over a period of time,

[Mr. Cash]

and any lawyer, knows that the phrase is extremely wide and virtually unchallengeable. The phrase used to be "in the opinion of"; now, it is "considers necessary or desirable", which is very wide.

The clause goes on to say:

"An order under subsection (1) may also make... modifications of any other enactment (whenever passed or made)",

including retrospectively,

"as the Secretary of State considers necessary or desirable"—

there are those words again. That is worse than a Henry VIII provision; it is carte blanche. I would not particularly have wanted such a provision to have applied even in Henry VIII's reign; it might have been applied not merely to his wives, but anyone else in the entourage, because the provision catches everybody. Henry VIII would have had a field day with it.

Despite the fact that the statutory instrument is subject to the affirmative procedure—here I look to the hon. Member for Foyle (Mark Durkan), with whom I seem to have been having quite a dialogue over the past few days, both in the Chamber and outside it—"enactment" is specifically defined, and not by reference to the interpretation Act. For the purposes of the provision,

"In this section...'enactment' means...

(a) an Act of Parliament,

(b) an Act of the Scottish Parliament,

(c) a Measure or Act of the National Assembly for Wales, or

(d) Northern Ireland legislation",

In terms of the powers conferred,

"a 'modification' includes an addition, repeal or revocation."

I invite the hon. Gentleman to consider that, because as a distinguished member of the Northern Ireland legislature, he will know—as will others who discussed Northern Irish questions relating to justice, criminal law and policing yesterday—that however familiar people have got with totally undesirable legislation that legislates in order to legislate further, and to undo legislation, both retrospectively and in the future, that that is a very bad way to go about handing out sentences, with or without the consent of the Attorney-General, to our soldiers on the ground.

We are talking about a very severe penalty of 14 years. It would be different if we were talking about a minor piece of legislation. I do not know what went on in other parts of the precincts of Parliament and in the other House, but the consideration that we are giving to the Bill today, at rather short notice and on a fairly tight programme, ought to reflect the seriousness of the offence that is being imposed. As the hon. Member for Foyle rightly indicated, those affected could be bodies corporate, businesses or partnerships. I have insisted on the point about the effect on the soldiers fighting in Afghanistan, or on duty in Bosnia, where there are a lot of cluster munitions.

There are the problems of the exceptions that arise by virtue of the fact that a fairly substantial number of people have not signed up to the convention. We also have difficulties in relation to our allies, some of whom would not even supply us with ammunition during the Iraq war. I do not regard them as being much use. That is a serious matter. In addition, there are a significant number of people who are supposed to be engaged in Afghanistan with us. We have soldiers dying daily in Sangin and Helmand, and other countries are simply not taking an active part; that is a serious problem.

The cluster munitions provisions affect our operations on the ground in Afghanistan. In all fairness, I know that the Minister recognises that. He also knows that there are serious penalties in the Bill. The powers in the clause to modify the Act in such an extremely wide manner, over a very wide and complicated landscape, are completely unwarranted. I am sure that the Whip on duty will listen to this—oh, there is no Whip here. I am not a Whip, or in the slightest degree interested in being a Whip, but I would have thought that we ought to vote against the provision, because it goes too wide on too serious a matter—a matter that has a serious implication for our armed services.

Mark Durkan: The hon. Gentleman raised concerns about the clause, and touched on possible implications for devolved interests, and specifically Northern Ireland, which is the area of concern to me.

I hope that the Minister, when he replies, can offer some assurance on a number of matters. First, I want to stress that those of us who strongly support the Bill want to see within it provision to ensure that, as the convention changes, modifications can be made to the Bill. Clearly, this is a significant convention; it is the most significant disarmament treaty for a decade—hopefully, not the most significant for the decade to come, but it might be. However, if it is changed, and if it grows, obviously we want legislation here to be able to track and reflect that. So providing some instrument for ready and reliable modification is a matter of sensible and good intent on the part of the Government.

To that extent, and if that is the motivation behind the clause, I am comfortable with it. However, concerns arise about how the clause is then used. As the hon. Member for Stone (Mr. Cash) said, it is premised on what the Secretary of State "considers necessary or desirable" to give effect to any amendment made to the convention. In the first instance, two questions arise: first, the clause gives the Secretary of State the power so to modify the Bill. We know that there have been changes to various other international conventions that many hon. Members have lobbied to have reflected in law here, only to find that the Government, for whatever reason, have been dilatory in doing so or have decided that they do not think it necessary or desirable to reflect changes to conventions enacted elsewhere in the law here. So, if the Secretary of State chooses not to make such a modification, is it possible in any other way for House to make such modifications?

Secondly, what happens if the Secretary of State uses a change in the convention not just to introduce a change to the Act that everyone else agrees is necessary and sensible, but to bring forward other changes that many people might not agree are necessary and uses the provision as a cover for various other modifications that would be equivalent to a derogation from the convention?

Mr. Cash: The hon. Gentleman is right, of course, because although subsection (1) is definitely tied to

"any amendment of the Convention made in pursuance of the...Convention",

subsection (2) states:

"as the Secretary of State considers necessary or desirable in consequence of the modifications of this Act made by that order."

So it is in consequence of the modification; it is not so tightly tied to the convention. Does he not also agree that, given the points that he is validly making, and which, I believe, I am validly making, it would not be a bad idea, as a matter of law, to require the Attorney-General to give her advice on whether a modification was necessary, given the complexities?

Mark Durkan: I thank the hon. Gentleman for that relevant observation, although I am not sure that we can await the consideration of the Attorney-General, given the exigencies of the situation today. However, I would like the Minister to tell us just how wide the interpretative sweep available to the Secretary of State is. What he may consider necessary or desirable might either fall well short of what is actually required to match changes to the convention or exceed them in a number of ways. The Secretary of State may use the contrivance of changes in pursuance of changes to the convention to water down other aspects of the Bill.

The big problem is that although the House might feel it all very well to give the Secretary of State the power so to change legislation of this House, should he also have the power of fiat to change the legislation of other Assemblies and Parliaments in relation to any enactment? For instance, there is no reference to legislative consent motions or anything else. It might be that future changes to the convention put in place particular obligations and restrictions on what Governments did with, or for, companies that might, or might not, have been involved in contraventions of the ban on cluster munitions.

6.15 pm

Mr. Cash: It is slightly extraordinary that the Bill gives rise to so many complications, and, in many ways, I am rather concerned that we are having to spend so much time on it, but these are not trivial matters. For example, in the context of the Scotland Act 1998—effectively, the same is now the case in Northern Ireland, as of last night—the degree of devolution is such that serious questions will arise, in relation to offences, about whether the advice of the Attorney-General, or her equivalent in each country forming part of the United Kingdom, should be taken. In particular, the question arises about whether the clause should be amended so that the advice of whoever is the appropriate person is included in its terms to ensure that the consent of the Attorney-General, or whoever, is mirrored in the Secretary of State's use of those wide powers.

Mark Durkan: Again, I thank the hon. Gentleman for those points. All I ask of the Minister—obviously he cannot accede to the advice of the hon. Member for Stone—is that he seek to offer us some assurance that the Government are sensitive to the concerns and considerations being voiced here and to reassure us by indicating that any modifications to devolved legislation would use the facility of a legislative consent motion, to ensure that they are not imposed without consent, particularly on a point of potential controversy. Will he also indicate that there will be clear concordats and protocols in relation to the interests of devolved Assemblies and their relevant Governments and Executives in terms of anything that the Secretary of State would propose to do under the powers given to him in the clause? The clause characterises a wide and sweeping power that has no regard to anyone else's thoughts, interests or prerogatives other than what the Secretary of State considers necessary or desirable.

Chris Bryant: I confess that I am not a big fan of the clause. I do not generally like such clauses, and I think that it is better, when one can, to ensure that we proceed with primary legislation. However, in relation to a convention such as the one on cluster munitions, which contains express provisions for amendment, and when such a convention is not yet binding on the whole world and recognises, at its very core, that some countries will be states parties and others will not, it is important that we have some means of amendment.

It is always better, of course, to make amendments through primary legislation, but my difficulty is that we are taking through this Bill later than I would have liked. It is a shame that, although we were one of the front-runners in moving forward the debate on cluster munitions, we have ended up outside the first 30 countries to ratify the convention. That is because there will always be a pretty hefty parliamentary work load. The legislation has been ready for some time, but it has taken a while to find a slot in the parliamentary programme—and, who knows what will happen to programming after the general election? The difficulty is, I suggest, that if we insisted on primary legislation for any amendment to the convention, there would probably be a delay in getting it on to the statute book.

Mark Durkan: I assure the Minister that I was not looking for an insistence on primary legislation, and I accept the motivation behind the clause—the aim of ensuring that there can be ready and realisable amendment and modification when necessary. Our concern is about the purposes for which the clause might be used, given that it is so wide in its sweep.

Chris Bryant: I understand that, and I was not making such an allegation against my hon. Friend. One of the difficulties is that we cannot be precise about any amendment that might be necessary, as an amendment might not have been sparked by us within the convention. None the less, it might be an amendment that we wished to pursue or that we might be required by the convention to bring into our own legislation.

That is also why we were keen to ensure that these changes would happen under the affirmative resolution procedure. In that way, the House would be able to take a view on the matter. I subscribe to the view—which is shared by quite a lot of people—that we do not do statutory instruments very well. Many hon. Members are not particularly keen to sit on the Committees, and one sometimes feels as though one is there as just a piece of voting fodder. That is problematic in regard to the way in which we take legislation through, but it is not a matter that I can resolve during the passage of this Bill.

Mr. Cash: But I am sure that the Minister will appreciate my point that a very simple manuscript amendment could be tabled on Report if necessary and desirable—to use the language of the Bill. We in this House have the right to insist on being able to table such amendments at this time. Just as the Secretary of State will be able to decide what is necessary and desirable, so this House can make a decision about tabling amendments on Report using exactly the same criteria.

[Mr. Cash]

It would, however, be open to the Minister to agree—without making concessions or climbing down—that the complexity that has emerged in the course of the debate, and the effect on the individuals who will be subjected to it, could easily be remedied by combining in the clause a further provision. In subsection (1), after the words

"The Secretary of State may by order",

we could insert the words "with the advice of the Attorney-General", before the phrase

"made by statutory instrument".

In other words, we could include in the process the Attorney-General, whose consent would be required in relation to the provisions of the Bill itself. By including a reference to the Attorney-General in this clause, we would ensure that the complexity of the amendments that the Minister seems to accept will arise would be dealt with, because the Attorney-General would be part and parcel of the Secretary of State's consideration of the amendments and modifications. Does the Minister not agree that that is a reasonable proposition?

Chris Bryant: The hon. Gentleman is attempting to table an amendment orally, but unfortunately it has not been tabled—*[Interruption.]* Now he is asking me to table it, but I do not want the amendment that he has suggested. If he had really wanted us to debate it, he might have tabled it himself. Earlier, he was trying to take the Attorney-General out of the equation; now, he seems to want to put her in, but at a different point—*[Interruption.]* I understand, but I am afraid that I must—assertively and, I hope, charmingly—disagree with him on this point. *[Interruption.]* My hon. Friend the Member for Glasgow, South (Mr. Harris) has finally woken up—

Mr. Tom Harris (Glasgow, South) (Lab): No, I have just arrived.

Chris Bryant: He says that he has just arrived, but he has been here for some time. He has clearly given up on texting me, however—and, no, I am not going to karaoke this evening!

My hon. Friend the Member for Foyle (Mark Durkan) asked for some assurances on how we would proceed with this provision. Let me make it clear that, if there were to be substantial changes, I think that there should be primary legislation. If there were to be changes that directly affected any of the devolved Administrations, there should be proper consultation with them and a proper process should be undergone, rather than some kind of fiat coming down from the Secretary of State. With those assurances, I hope that we can agree that clause 29 should stand part of the Bill.

Question put and agreed to.

Clause 29 accordingly ordered to stand part of the Bill.

Clauses 30 and 31 ordered to stand part of the Bill.

Clause 32

INTERPRETATION

Question proposed, That the clause stand part of the Bill.

Mr. Cash: The clause specifically states:

"This Act binds the Crown."

It goes on to say:

"No contravention by the Crown of a provision of this Act makes the Crown criminally liable."

The various other subsections include the provision:

"Nothing in this section affects Her Majesty in her private capacity."

The clause then deals with matters relating to the Crown Proceedings Act 1947.

This is rather like having one's cake and eating it, when dealing with cases involving military personnel. We have had a great deal of debate on these matters, and on whether soldiers, commanders or those involved in prosecutions should have certain defences available to them. We have explored the loophole argument, and discussed international operations. Here we are, however, discussing the application of the legislation to the Crown. The clause states, quite rightly, that the Crown is bound by the legislation, and that Her Majesty should not be affected by it in her private capacity, but it also states:

"No contravention by the Crown of a provision of this Act makes the Crown criminally liable."

I should like some elucidation from the Minister as to what he has in mind here; I have a suspicion that he does not know the answer.

Chris Bryant: The hon. Gentleman is very perspicacious. I might have to write to him about this. I do not think that he wants the clause not to stand part of the Bill, however, so I shall not be interfering with the proper scrutiny of the Bill by doing that. I will write to him to provide further elucidation.

Question put and agreed to.

Clause 32 accordingly ordered to stand part of the Bill.

Clause 33

EXTENT

Mr. Lidington: I beg to move amendment 4, page 21, line 29, leave out "may" and insert "shall".

The First Deputy Chairman: With this it will be convenient to discuss amendment 5, page 21, line 29, leave out "any of".

Mr. Lidington: Clause 33 covers the extent of the proposed Act. My amendments seek to strengthen the provisions which, as drafted, will allow the Government to extend by Order in Council the provisions of the legislation to cover the Channel Islands, the Isle of Man and the British overseas territories.

Amendment 4 would replace the provision that gives the Government the power to extend the coverage of the Act, should they choose to exercise it, with an insistence that the Secretary of State bring forward such a scheme to cover the British overseas territories, the Channel Islands and the Isle of Man. Amendment 5 would require such an extension to cover all those territories, which would prevent any Government from holding back and choosing not to apply the provisions of the convention to one or two particular territories.

On Second Reading, the Minister was at pains to assure the House that the Government fully intended to extend the provisions of the legislation to cover the British overseas territories, the Channel Islands and the Isle of Man. He gave an indication that the Government wished to move forward on that front sooner rather

than later, and I hope that he will repeat that assurance now. Given that that is the Government's declared intention, however, I would have thought that they might accept these modest amendments—especially amendment 4—and accept the imposition upon themselves of a duty so to act.

6.30 pm

I would add one further point. Two of the British overseas territories—Ascension island and Diego Garcia—play host to United States military bases. As I understand it, there are different leasing agreements in respect of those two territories. There is quite understandable concern that the British Government intend to extend the provisions of the cluster munitions convention to those territories, along with the others. It would help the Committee if the Minister indicated whether he foresaw any particular obstacles, given the legitimate presence of US forces on those two islands or whether in discussions between the British and the US Government any such problems have been overcome.

Mr. Davey: I rise briefly to say that the amendments are good proposals. I see no reason for having "may" and not "shall", so we need clear assurance from the Minister. To be fair to him, when my hon. Friend the Member for East Dunbartonshire (Jo Swinson) pressed him on this matter on Second Reading, particularly in respect of Diego Garcia, he gave some clear commitments and explained that the stockpiles of cluster munitions there at the moment will be taken away by 2013. That is good. That being the case, however, I cannot see why there is any problem opting for "shall" rather than "may". I hope that the Minister can help us out on that.

Mr. Cash: I participated in a Westminster Hall debate initiated by the hon. Member for Islington, North (Jeremy Corbyn) only a few days ago on the issue of the British overseas territories, particularly the two just mentioned. The Chagos island disputes and the whole question of Diego Garcia were considered, as was the extent to which there were continuing problems of displacement and compensation and whether people could return to their properties. My hon. Friend the Member for Aylesbury (Mr. Lidington) alluded to aspects of those problems.

There is no doubt, on the basis of what the hon. Member for Kingston and Surbiton (Mr. Davey) said and other evidence—or, at least, other assertions—that cluster munitions are stockpiled or lying in those territories. The formula adopted in clause 33(3) is not that unusual, but if we leave aside the Channel Islands and the Isle of Man, which I do think are likely to present problems, we need to look at the acute difficulty arising for the British overseas territories, particularly those mentioned by me, by my hon. Friend the Member for Aylesbury and by the hon. Member for Kingston and Surbiton. It is essential to clarify this matter, because there will otherwise be a serious contradiction.

Because these are British overseas territories, all the debates we have had about the interaction between ourselves and, say, the United States or other allies, arise in a very practical sense in this provision. This is about cluster munitions, the question of nationality, the question of residence and territorial rights and the question of whether cluster munitions are in a certain place. We should leave aside Afghanistan, where there is an essential, immediate and practical clear and present danger of these provisions impinging on persons within the jurisdiction of the UK. We are looking for a very specific answer from the Minister. I am sure he has got one, but I hope that it is going to be satisfactory.

Chris Bryant: I will do my best. We want to make sure that all the overseas territories are fully compliant with the convention as swiftly as possible. There are two complicating elements in that. First, each of the overseas territories has its own constitution and its own legal set-up. Consequently, when we introduce the convention in each of those countries, we have to take cognisance of that. That is why, although there is very little difference in practice between "shall" and "may", I would prefer to stick with "may" because "shall" implies that the overseas territories themselves will have no say in the way in which implementation is brought forward. That is the only difference between us on that issue.

Mr. Cash: The Minister will understand why I immediately refer him back to clause 29 and the power to modify Acts. One wonders about the extent to which it is within the framework of the UK Parliament to make adjustments to the constitutions of the British overseas territories, and I do not know what the Minister has in mind. The constitutions or the treaties made with other allies might affect the manner in which the residents of the overseas territories could be unreasonably damaged or inhibited in how to deal with cluster munitions, particularly in the specific territories mentioned. Is the Minister prepared to take power, using clause 29, which provides for the power to modify Acts, in order to achieve those objectives, or is he just going to talk to the local legislature and ask if it might be interested or prepared to make the necessary changes? How is he going to go about it?

Chris Bryant: It varies significantly from one overseas territory to another. Obviously, the Falklands is different from Pitcairn, which is very different from the British Indian ocean territory. The term of conviction on indictment in previous legislation that we wanted to introduce across all the overseas territories to match UK legislation had to be replaced by reference instead to convictions by the supreme court of the territory, because the concept of conviction on indictment is unknown in the British Antarctic or the British Indian ocean territory.

That is why the two amendments proposed by the hon. Member for Aylesbury (Mr. Lidington), with whose direction of travel I entirely sympathise, are inappropriate. They rather conflict with the policy that we tried to adopt with the overseas territories, which is to bring them with us rather than simply impose upon them. There is also the element of wanting to ensure that the precise way in which the individual clauses are applied to each of the overseas territories works within the legal context of the respective territories. As I say, they are very different. Over the last few years, we have dealt with each of the overseas territories, bringing in new constitutions that meet a series of other considerations, such as the European convention on human rights or the Human Rights Act 1998 in the UK.

The absolute assurance I can give is that whether or not we end up with "may" or "shall" in amendment 4 and whether or not we accept amendment 5 will make

[Chris Bryant]

not a single bit of difference to the process we will engage in or the swiftness with which we expect to be able to engage in it.

Mark Durkan: The Minister has argued that because some of the terms in the Bill are not consistent with the legal frameworks in some of the overseas territories, the amendments would not be appropriate. Surely, however, clause 33(3) states:

"Her Majesty may"

the amendment would say "shall"

"by Order in Council provide for any of the provisions of this Act to extend, with modifications (including additions or omissions)".

If aspects of the Bill do not rhyme with provisions in some of the overseas territories, it can obviously be taken into account in the legislation that would be made.

Chris Bryant: But, if my hon. Friend will allow me to say so, that is to forget amendment 5, which is to remove the word "any". That is precisely the point. If we remove the word "any" and turn "may" into "shall", we would have to introduce everything as it is. There is no difference of view over the end-point that we want to arrive at, which is that there should be no cluster munitions on British overseas territories or anywhere under UK jurisdiction. We will move as quickly as we possibly can and I want to be able to do so with the assistance of the overseas territories.

Mr. Lidington: Does the Minister have it in mind that 2013 will be the date by which the convention and the Bill will take effect in all these territories?

Chris Bryant: Yes, absolutely. In relation to Diego Garcia in particular, as I said last week, the United States has made it clear that it will remove all its stockpile in the UK by the end of the year, and across the whole of the UK's jurisdictions by 2013. With that, I hope that hon. Members will not feel the need to press the amendments.

Mr. Lidington: I listened with interest to the Minister's comments, and I am grateful for the support of my hon. Friend the Member for Stone (Mr. Cash) and the hon. Members for Kingston and Surbiton (Mr. Davey) and for Foyle (Mark Durkan) on the matter. The Minister certainly persuaded me with regard to amendment 5—I can see that to delete the words "any of" would introduce an unsuitable element of inflexibility. I am less persuaded, however, by his assurances about whether "shall" or "may" is the more appropriate word to use.

I do not doubt the Minister's sincerity when he says that the Government's intention is to press forward as soon as possible, and I accept to some extent his point that the Government are anxious not to offend the susceptibilities of the British overseas territories and want to bring them with the Government, so that they feel they have some ownership of the legislation as it extends to their parts of the world. On the other hand, amendment 4 would not insist that legislation is extended to the British overseas territories in a particular form. As the hon. Member for Foyle pointed out, subsection (3) provides for "any of the provisions" to be extended; it does not insist that all are extended at once, or at all, to each of the territories. It makes express provision for modifications, including additions or omissions. The Government have less cause to be concerned about amendment 4 than they do about amendment 5. The amendment offers us a way to improve the Bill in a modest but worthwhile fashion, and I intend to press it to a vote.

Question put, That the amendment be made.

The Committee proceeded to a Division.

The First Deputy Chairman: I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The Committee having divided: Ayes 190, Noes 255.

Division No. 117] **[6.43 pm**

AYES

Afriyie, Adam	Gibb, Mr. Nick
Amess, Mr. David	Gillan, Mrs. Cheryl
Arbuthnot, rh Mr. James	Goldsworthy, Julia
Atkinson, Mr. Peter	Goodman, Mr. Paul
Baldry, Tony	Goodwill, Mr. Robert
Baron, Mr. John	Gove, Michael
Beith, rh Sir Alan	Gray, Mr. James
Bellingham, Mr. Henry	Green, Damian
Benyon, Mr. Richard	Greening, Justine
Beresford, Sir Paul	Hammond, Stephen
Binley, Mr. Brian	Hands, Mr. Greg
Bone, Mr. Peter	Harper, Mr. Mark
Boswell, Mr. Tim	Harris, Dr. Evan
Brazier, Mr. Julian	Hayes, Mr. John
Brokenshire, James	Heald, Mr. Oliver
Brooke, Annette	Heath, Mr. David
Browne, Mr. Jeremy	Heathcoat-Amory, rh Mr. David
Browning, Angela	Hemming, John
Burns, Mr. Simon	Hendry, Charles
Burrowes, Mr. David	Herbert, Nick
Burt, Alistair	Hermon, Lady
Burt, Lorely	Hoban, Mr. Mark
Butterfill, Sir John	Hollobone, Mr. Philip
Cable, Dr. Vincent	Holmes, Paul
Campbell, Mr. Gregory	Hosie, Stewart
Campbell, rh Sir Menzies	Howard, rh Mr. Michael
Carmichael, Mr. Alistair	Howarth, Mr. Gerald
Carswell, Mr. Douglas	Howell, John
Cash, Mr. William	Huhne, Chris
Chope, Mr. Christopher	Hunter, Mark
Clarke, rh Mr. Kenneth	Hurd, Mr. Nick
Clifton-Brown, Mr. Geoffrey	Jenkin, Mr. Bernard
Cormack, Sir Patrick	Jones, Mr. David
Cox, Mr. Geoffrey	Kennedy, rh Mr. Charles
Crabb, Mr. Stephen	Key, Robert
Davey, Mr. Edward	Kirkbride, Miss Julie
Davies, David T. C. *(Monmouth)*	Laing, Mrs. Eleanor
Davis, rh David	Lancaster, Mr. Mark
Djanogly, Mr. Jonathan	Lansley, Mr. Andrew
Dodds, Mr. Nigel	Leech, Mr. John
Dorrell, rh Mr. Stephen	Leigh, Mr. Edward
Dorries, Nadine	Letwin, rh Mr. Oliver
Duncan, Alan	Lewis, Dr. Julian
Duncan Smith, rh Mr. Iain	Liddell-Grainger, Mr. Ian
Dunne, Mr. Philip	Lidington, Mr. David
Durkan, Mark	Lilley, rh Mr. Peter
Evennett, Mr. David	Llwyd, Mr. Elfyn
Fabricant, Michael	Loughton, Tim
Fallon, Mr. Michael	Mackay, rh Mr. Andrew
Fox, Dr. Liam	Maclean, rh David
Francois, Mr. Mark	MacNeil, Mr. Angus
Gale, Mr. Roger	Main, Anne
George, Andrew	Malins, Mr. Humfrey

Mason, John
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Neill, Robert
Newmark, Mr. Brooks
Opik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Thurso, John
Timpson, Mr. Edward
Turner, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Wiggin, Bill
Williams, Mark
Williams, Mr. Roger
Willott, Jenny
Wilshire, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
James Duddridge and Mr. Rob Wilson

NOES

Abbott, Ms Diane
Ainger, Nick
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Joyce, Mr. Eric
Keeley, Barbara
Keen, Ann
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy

Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rocney, Mr. Terry
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mark Tami and
Steve McCabe

Question accordingly negatived.

Clause 33 ordered to stand part of the Bill

Clause 34

COMMENCEMENT AND SHORT TITLE

7 pm

Chris Bryant: I beg to move amendment 6, page 21, line 36, leave out subsection (3).

This is very straightforward. The necessity for clause 34(3), inserted in the House of Lords, refers to the financial privilege that obtains to the House of Commons pursuant to the resolution of 1671:

"That in all aids given to the King by the Commons, the Rate or Tax ought not to be altered by the Lords"

something to which the Lords have tacitly assented since their 1702 resolution.

In the Lords, the subsection was inserted to maintain the fiction that a Bill originating in the Lords would not require a money resolution in the Commons. Now that the Bill has already been in the Lords and we have maintained that fiction, we no longer need the subsection. The amendment merely removes that subsection so that we can proceed. It will not mean that the Bill would be subject to ping-pong.

Mr. Cash: I am more interested in facts than fictions. I am concerned about clause 34(1), which says:

"This Act comes into force on the day on which it is passed."

There is no need for me to make a speech on the subject because I have made my reasons quite clear in previous speeches on other clauses, but the measure is precipitate, unnecessary and dangerous—

The First Deputy Chairman: Order. May I remind the hon. Gentleman that we are discussing amendment 6? Perhaps his remarks could be directed to that.

Mr. Cash: I am glad to have got the point on the record.

Amendment agreed to.

Clause 34, as amended, ordered to stand part of the Bill.

New Clause 1

DUTY OF THE SECRETARY OF STATE IN RESPECT OF STOCKPILES

'(1) The Secretary of State shall, within six months of Royal Assent, lay before both Houses a plan for the destruction of all stockpiles of prohibited munitions held under United Kingdom jurisdiction.

(2) The Secretary of State's plan shall provide for the destruction of all stocks of prohibited munitions within eight years of Royal Assent.

(3) The Secretary of State shall present an annual report to Parliament on progress made in destroying stocks of prohibited munitions.'.—*(Mr. Lidington.)*

Brought up, and read the First time.

Mr. Lidington: I beg to move, That the clause be read a Second time.

The convention imposes on all states parties a duty not only to introduce a prohibition against the possession or use of cluster munitions but to destroy existing stockpiles of cluster munitions that fall under the jurisdiction and control of that state party. The new clause would impose on the Secretary of State explicitly a duty to publish a plan for the UK to destroy its existing stockpiles of cluster munitions. It would further require the Government to provide in that plan for all stockpiles to be destroyed within eight years, the time limit set by the convention. It would oblige the Secretary of State to report annually to Parliament on progress made or not made in adhering to the published plan.

The thing that has puzzled me about the Bill is that although there is a clear duty laid on states parties by the convention and although there is no doubt about the Government's commitment to seek to deliver on the requirement to destroy stockpiles of cluster munitions, there is no mention of that convention duty and no requirement to be imposed by law on the Secretary of State to ensure that the destruction of stockpiles is carried out. The new clause would make certain that the Government delivered on what they have promised and what, in signing the convention, they have undertaken to do.

Mr. Davey: I have great sympathy with the new clause and I hope that the Minister will explain that it is not needed. If it were needed, I would encourage the hon. Member for Aylesbury (Mr. Lidington) to push it to a vote. I suspect that it is not needed because, as I understand it, signing the convention with respect to the commitment to get rid of the stockpiles is legally binding on the Government. However, the rest of the Bill contains those items that the Government must put into domestic law to make it legally binding on others who might commit an offence, so the convention has the force of law on Her Majesty's Government. Therefore, I do not think the new clause is needed, but I shall be interested to hear what the Minister says.

Mr. Cash: I also hope that the provision is not necessary. Without wanting to be too pedantic—or precise, to put it another way—the expression

"held under United Kingdom jurisdiction"

in the new clause might be better expressed as "within UK jurisdiction". Munitions are held in the British overseas territories—Diego Garcia being a good example. To say that these are held under United Kingdom jurisdiction is not correct; it is within UK jurisdiction but not held under UK jurisdiction. I do not want to criticise my hon. Friend the Member for Aylesbury (Mr. Lidington) but I want to perform my function, which is to try to elucidate. There is a problem but it can be overcome; the Minister can do that with assurances that the intentions behind the measure will be implemented.

Chris Bryant: Would that my assurances always satisfied the hon. Member for Stone (Mr. Cash). He apologised earlier for being a lawyer, but in fact he is doing us a service in this regard. I think I am right in saying that when Peter the Great visited this Parliament, he complained to the then monarch, that there were far too many lawyers. So far as he knew, there were only two in his country and when he returned, he was going to execute one of them. One lawyer is fine; two is always a problem.

The hon. Gentleman is absolutely right that there is a problem in the new clause in relation to the phrase

"held under United Kingdom jurisdiction".

The convention specifically refers to "jurisdiction and control". Not all the cluster munitions that are currently physically within our jurisdiction are under our control. I am afraid that the amendment falls on that count but, more importantly, as the hon. Member for Kingston and Surbiton (Mr. Davey) said, it is unnecessary.

We are already obliged under article 7 of the convention, which has one of the most rigorous systems of transparency that I have seen in an international convention, to make clear what our programme is for the destruction of our stockpiles—those within our jurisdiction and under our control. I hope that nobody will doubt our intent on this, because before signing the convention a whole type of cluster munition—the HE M483A1—had been destroyed. In the month that the UK signed the convention, all types of 755 sub-munitions had been destroyed. In July last year, following the inclusion of the Cluster Munitions (Prohibitions) Bill in the draft legislative programme, the destruction of all CRV-7 MPSM M73 sub-munitions was completed. In total, more than 14 million sub-munitions have been destroyed so far, which was some 37 per cent. of the UK's entire stocks, so we are very confident that we will beat by a considerable margin the target period of eight years and that we will have destroyed all our stock by 2013.

Finally, I should say that new clause 1 is undesirable because if the Bill were to be thus amended, it would be required to go through a process of ping-pong with the other place. That is not, of itself, a precondition that means we should not amend the Bill, but it might be a more significant consideration at this particular point, especially given that nobody has yet really argued that this is an essential new clause.

Mark Durkan: I thank the Minister for his helpful clarification. Can he go further by assuring us that annual reports will be made to Parliament detailing the progress on decommissioning the stockpile?

Chris Bryant: Annual reports certainly will be made, because that is provided for in the article. I am therefore happy to undertake that the report that we have to make under the convention will be made available to Parliament too. Thus, I very much hope that the hon. Member for Aylesbury (Mr. Lidington) will not press this new clause to a Division and will not take the approach he took to the previous amendment, which he suddenly did press to a vote.

Mr. Lidington: I am grateful to the Minister for his explanation and, in particular, for the assurance that article 7 of the convention, in itself, provides a legally binding instrument to govern what the United Kingdom has to do in respect of stockpiles. In view of those assurances, I beg to ask leave to withdraw the clause.

Clause, by leave, withdrawn.

Schedules 1 to 3 agreed to.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Bill, as amended, in the Committees, considered.

Third Reading

7.13 pm

Chris Bryant: I beg to move, That the Bill be now read the Third time.

I hope that all hon. Members will agree that this is an important piece of legislation. Interestingly, the tone of this debate has been very different from that of any debate we would have had about such a matter a mere four, five or six years ago. Then, people would have argued much more forcefully for retaining cluster munitions as an essential tool of the trade necessary to our armed forces. The facts that have emerged over the past few years have changed people's minds: the fact that a third of those most affected by cluster munitions have been children; the fact that thousands of people are killed by these weapons not only in the process of war, but in many cases a long time after the war because cluster submunitions lie around unexploded; and the fact that at least 60 per cent. of those who have been killed or maimed were not in the field of combat but were engaged in their ordinary daily business. Those things have made many people—those of a military disposition or career, as well as those who have worked for non-governmental organisations—conscious of the fact that we needed to change how we engage with this issue.

I pay tribute to the Norwegian Government, who were key in asserting the Oslo declaration and trying to persuade everybody to come forward with the convention; to the Irish Government, who brought together the diplomatic conference in Dublin; and to our own Prime Minister, who played a specific role in brokering a deal that meant that it was possible for the convention to be agreed. As we have discussed this afternoon, the Bill has come about in large measure because of the necessity to provide legal certainty for the personnel of armed forces that have decided not to use cluster munitions who may be operating alongside personnel from countries that have not taken that decision. I very much hope that we will be able to make progress as swiftly as possible and that all countries—certainly all our allies—will sign up to and ratify the convention.

I am grateful for the work that has been done on this Bill by people in the Foreign Office, who are not often involved in introducing legislation. I am also grateful to

[Chris Bryant]

the hon. Member for Aylesbury (Mr. Lidington), who has conducted the debate in a spirit of fair-minded probing, as of course have all hon. Members. I very much hope that we will be able to agree to give the Bill its Third Reading.

7.16 pm

Mr. Lidington: Conservative Members are happy to welcome the Bill on to the statute book. As the Minister fairly pointed out, this debate would previously have been conducted on different terms by both his Front-Bench team and mine. There is now much greater parliamentary and public recognition of the appalling number of casualties that cluster weapons inflict, mostly on civilians and often on children. What has also changed is that our armed forces and the Ministry of Defence have felt able to accommodate a ban on cluster munitions without significantly impairing the effectiveness of our defence preparedness. The Bill's provisions to protect the position of British servicemen and women engaged on joint operations with allied countries that have yet to ratify the convention on cluster munitions are particularly important.

We currently devote a great deal of time and attention to weapons proliferation issues. We also debate the rising threat of nuclear proliferation and chemical and biological risks, the need for progress to be made in tackling the trade in small arms and the very slow progress being made towards those objectives. Therefore, it is good that this evening we are able to mark a small step towards ridding the world of at least one particularly unpleasant category of lethal weapon.

7.19 pm

Mr. Davey: At the moment, British politics, and this place in particular, is held in low regard by the public. We are about to enter a period when partisan politics will be at their greatest, because it will be election time. This Bill and today's debate have shown this Parliament at its best and have shown how parties can work together to secure things about which people out there have campaigned. This measure is a response to the ordinary people who have written to MPs in this country—and other countries, to be fair—arguing for a change in the law in order to ban such weapons. It is a welcome move for that reason in itself.

The substance of the Bill is a fantastic development. We are leading the way. This country, working with Norway, Ireland and the 30 other countries that have now signed and ratified the convention, are leading the way to ridding the world of these appalling weapons—weapons that have caused such destruction and have served almost no military purpose. Let us be absolutely clear: all the evidence, from all the groups that have considered and studied this matter, shows that these weapons achieve almost nothing militarily. The vast majority of people who have been killed by these weapons—I have seen figures ranging from 85 to 98 per cent.—have been civilians. As the Minister rightly said, these weapons leave a legacy that lasts for years and that might still be with us for decades to come.

I hope that, having passed this legislation, Britain will now do two things. I hope that we will ensure that where our forces have used cluster munitions we take responsibility for clearing them up and ensure that they are not left littering the farms and lands of other countries. I also hope that we will give further leadership on the convention, as many countries and friends across the world have yet to sign the convention. This Bill is a first step, and we have taken it, but we have to go further. Having listened to and read the Minister's speeches, I know that he is committed to doing just that. He has shown good leadership in wanting to use our diplomatic good offices to push that aim with our friends and allies. I hope and believe that that wish is shared across all the parties. We have a responsibility now to move on from this good legislation and to give that global leadership. I strongly support the Bill.

7.22 pm

Mark Durkan: When the Minister opened this debate, he rightly paid tribute to the Norwegian Government's leadership in the Oslo process towards achieving the convention, which is supported by the Bill. He also acknowledged the role of the Irish Government in the diplomatic conference in Dublin. On Second Reading last week, I put on record the role in steering that conference played by Daithi O'Ceallaigh—a man who is known to many in this House as a former Irish ambassador in this city.

The Minister also rightly identified the important, decisive and positive role played in the Dublin diplomatic conference by the decisions of our Prime Minister. I know that the Prime Minister was dealing with conflicting impulses and advice from within the Government system. Various establishments had their views, as other hon. Members have reflected in their speeches, but the Prime Minister nevertheless made the positive decision to clarify the UK position and to move from the wrong side of the argument on this significant and effective convention to the right side.

It is right that we should pay tribute to all the non-governmental organisations and others who have campaigned over many years for a convention and ban, such as the Cluster Munition Coalition and the various bodies that made up that coalition. It is right to acknowledge the long-standing role played by many hon. Members, including some who will not be standing again in the election, in the long fight to extend the ban on land mines to cluster munitions—these aerial land mines, with all of their consequences. Credit for that campaign extends to Members in another place, too, who also campaigned very positively.

Back in 2008, in the build-up to the Dublin diplomatic conference, when it looked as though the British Government were going to be on the wrong side of the argument, I tabled an early-day motion along with other hon. Members of all parties. I was glad at that time that there were various YouTube video campaigns in support of that, including from SDLP Youth. The hon. Member for Kingston and Surbiton (Mr. Davey) rightly acknowledged the decisive contribution that has been made to our understanding of the issue, what Governments worldwide are committing themselves to through the wider convention, and what the House and the other place have done through this Bill.

It is right and proper that, as we come to the close of this Parliament, we can all look to the Bill as a positive reflection of the dynamics of a democracy and all the

different influences and inputs possible. It does not just reflect different interests, outlooks and motivations in this jurisdiction; it reflects and upholds the rights—in particular, the right to life—of vulnerable people in other territories. As other Members have said, cluster bombs have an impact not just in a conflict period but long afterwards, and they take a high toll on the limbs and lives of children. A very high number of women are affected, too, because it is they who go into the fields to work and into the territories to try to find water. Many people around the world are united in saying that there ought to be a law against these weapons and, finally and wisely, that is what we have.

7.26 pm

Mr. Cash: If I have taken up a somewhat disproportionate amount of time on this Bill, I make no apology whatever for having done so—despite the deputy Chief Whip's obvious concern. We need to give proper consideration to Bills in this House, but we do not do so, and more often than not legislation that some would deem to be less important than this Bill—I happen to believe that it is very important—gets next to no consideration, because the Government programme and guillotine Bills in a totally irresponsible manner. Indeed, had some of us on the Opposition Benches not asked some pertinent questions, we would not have had answers on a number of matters.

We have made a lot of progress today, and I am glad of that because this measure affects innocent people, including children. Those who are concerned about children in whose territories cluster munitions are accumulated will want to know not only that we have passed the Bill but that we will be prepared to take the action necessary to clear the ground. It is one thing to pass legislation, but another to give it practical effect. We have already heard enough today about the complexities that will undoubtedly cause difficulties in achieving certainty, and not merely certainty about the legal position. I am deeply worried for our servicemen, because I think that they will get caught up in this. The penalty of 14 years' imprisonment is very severe and the Bill has so many problems in it that people will be caught up unnecessarily despite its good intentions and, I hope, its good results.

Let me turn to the precedents for such Bills. The mustard gas that was used in the first world war was eventually outlawed, although not, of course, by Saddam Hussein. The fact is that such action on cluster munitions, which cause unnecessary and unreasonable deaths, is resisted by certain elements of our armed forces, so I am told. Despite the fact that the House of Commons, by consensus, has agreed that this Bill should go through, they do not believe that it is in the interests of our tactical and strategic operations to have such legislation.

Passing a law is a useful step, but it will not necessarily have the effect of protecting the innocent or, indeed, of avoiding complications for servicemen. Those are the crucial questions and it would be extremely helpful if the Minister—if he would listen for a second—would be good enough to put in the Library of the House of Commons the manual or the guidance to which he referred. When this Bill has been enacted and comes into force, its practicality will be tested. I, for one, would like the Minister to confirm that he is prepared to put the manual, with appropriate guidance, into the Library so that we may compare the manner in which the Government have alleged that the Bill will be effective with the manner in which they implement it.

Question put and agreed to.

Bill accordingly read the Third time and passed, with an amendment.

Third Parties (Rights against Insurers) Bill [*Lords*]

Bill, not amended in the Public Bill Committee, considered. Third Reading

7.31 pm

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): I beg to move, That the Bill be now read the Third time.

It is a great pleasure to guide this Bill through its final stages, because it is a very good example of the valuable, expert work that the Law Commission has done to simplify difficult and technical areas of the law and to make them more accessible and more obviously relevant to ordinary people in ordinary situations. I thank the commission for all its hard work on this project. Although our procedures remain unchanged, this Bill was the second candidate to trial a new procedure in the other place for appropriate Law Commission Bills, which I hope will help further to support the commission's work in making the law more modern and effective.

The procedures in the Bill will allow the liability of the insured and the insurer to be resolved in just one set of proceedings. If the insured and the insurer are liable, the insurer will pay compensation directly to the third party who will, under the Bill, have been put in the shoes of the insured. The Bill is intended to clarify and simplify the law. It will therefore result in the quicker and cheaper resolution of claims. On that basis, I commend to the House this Bill, which is likely to be the final Bill that I shall take through the House.

7.32 pm

Mr. Henry Bellingham (North-West Norfolk) (Con): I join the Minister in paying tribute to the Law Commission for coming up with this Bill under the new, expedited procedure. Let me also declare an interest as a former practising barrister. I want to put on record my gratitude to the Minister for the way in which she has handled not only this Bill but many others, as this might be my last opportunity to thank her personally from the Dispatch Box for her work and to wish her well for the future. I understand that she will be in charge of the Department during the Dissolution period, after which it could fall to another party to take over from her. That is the Conservatives' hope, but we wish her well for the future anyway, and we hope very much that during those four weeks or so she does not cause any major problems, but makes sure that there is a steady hand on the tiller.

As the Minister has pointed out, the Bill is part of the new, expedited procedure for bringing through Parliament Law Commission Bills that command widespread consensus and support. It follows in the footsteps of the Perpetuities and Accumulations Act 2009—complex legislation that went through the House with the minimum of fuss. The Bill is important because it builds on the Third Parties (Rights against Insurers) Act 1930, which overturned the original, common law privity of contract doctrine, which stated clearly that no insurance liability was directly enforceable by a third party against an insurer. Real problems accrued as a result of that well-established principle, and the introduction of the 1930 Act reflected how the economy and society were moving on, not least with the proliferation of cars on the roads. A number of insured people were, sadly, getting killed, and third parties had to take over those insured rights against insurance companies.

It is not surprising that there have been one or two problems with the 1930 Act, as 80 years have intervened since then, in which time there have been many changes to our economy and legal system. If the insured were a dissolved company that had been struck off the register, the third party had to restore it to the register in order to mount a successful claim. That took time and cost money, and there was no need for that to happen. That is one of several key issues that the Bill addresses. All of the key changes are very straightforward and command widespread support. It was noticeable, during the consultation process, that people in all parts of the industry, including practitioners and other interested parties, spoke with one voice. It is quite a phenomenon to have everyone singing from exactly the same hymn sheet.

I should like to know from the Minister what lessons have been learned from the new procedure. The Bill was first mooted as long ago as 1998, in a Law Commission report, but it has taken 12 years to come before the House in its present form. I hope that it will be on the statute book very soon. How much quicker could that progress have been made if we had had in place the new procedures that were brought in under the Law Commission Act 2009 for expediting such Bills through Parliament? Could we have got it through Parliament in a couple of years, or even less time?

The Minister mentioned in a letter that she sent to me after our Committee proceedings that her Department would soon lay before the House a new protocol under the Law Commission Act 2009. Will she tell us whether it will be laid before Dissolution? I want to press her on an issue that I raised in Committee that she did not mention in her letter to me of 15 March, which refers to the Law Commission paper, "Insurance Contract Law: Misrepresentation, Non-Disclosure and Breach of Warranty by the Insured". That important report will give rise to legislation that could, to some extent, be allied to parts of this Bill, and I should like to know what happened to that report and whether a Bill will be coming forward in the near future.

The Bill is small but important. It builds on the 1930 Act, as I have said, and it will help a number of our constituents at times when their lives have become a complete misery because of the complexity of the existing law. It will take a small step towards alleviating that misery, and that is why the Conservatives are very pleased to support it.

7.38 pm

Mr. David Heath (Somerton and Frome) (LD): The Bill is not unimportant and neither is it lacking in complexity, but it is very welcome and, I hope, lacking in political controversy. It was therefore an extremely good candidate for the accelerated procedure that was used. We in this place cannot subcontract our scrutiny of legislation, but we can subcontract much of the hard work on its preparation and on the technical issues that must be addressed. We could put such work in no safer hands than those of the Law Commission, which has done an extremely good job in that regard and on many other matters that have come before us.

I hope that a lot more of the Law Commission's backlog of recommendations will be put through a similar procedure in short order. The Lord Chancellor indicated recently that he regrets the fact that there is still a backlog and that there has been no opportunity to put more before the House. It is time we did so, because it is pointless for such an extremely learned and capable organisation to make recommendations if we cannot find the time to legislate on properly.

I conclude by noting that the Minister and I have served on many Bills over recent years. I have not always agreed with every position she has taken, and she has not always agreed with every position I have taken, but I have enormous respect for the work she has done and I thank her on behalf of the House for the efforts she has put into the Ministry. I really hope that during the period when she is in charge nothing happens to make her regret her current position.

I hope the Bill can now pass.

7.40 pm

Bridget Prentice: With leave of the House, Mr. Deputy Speaker, I shall reply quickly to the hon. Members for North-West Norfolk (Mr. Bellingham) and for Somerton and Frome (Mr. Heath). First, I thank them very much indeed for their kind words, which are much appreciated. I put on record my thanks to both of them and their colleagues, who have served on a variety of Bills with me. They have always been courteous and as supportive as they could be from their different positions. I very much appreciated that.

The hon. Member for North-West Norfolk asked what lessons had been learned. We certainly think the system is a much more effective tool for getting important but uncontroversial parts of the law through the House. I hope it will become a permanent solution and that, as the hon. Member for Somerton and Frome suggested, we will use it more often.

I have every sympathy with the hon. Member for North-West Norfolk about the length of time the measure has taken. For me, the most frustrating thing about being in government is how long it can take for a piece of legislation to get from point A to final implementation. The hon. Gentleman will understand the tenor of my remarks when I say that I hope he never has that experience. I appreciate that the time taken was not of the best; nevertheless such delay is not confined to this Government or to this period of office, and I hope the hon. Gentleman accepts that we are doing everything to try to reduce the delays and make sure that such legislation goes through more speedily using the new system.

Finally, the hon. Gentleman asked about the protocol. It is still being put together, but I hope we can publish it before the election, or perhaps during my period looking after the shop. I will make sure that the hon. Gentleman and the hon. Member for Somerton and Frome have sight of it as soon as possible.

Question put and agreed to.

Bill accordingly read the Third time and passed, without amendment.

Business without Debate

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Michael Lord): With the leave of the House, we will deal with motions 5, 6, 7 and 8 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

TERMS AND CONDITIONS OF EMPLOYMENT

That the draft Additional Statutory Paternity Pay (Weekly Rates) Regulations 2010, which were laid before this House on 19 January, be approved.

That the draft Employment Rights Act 1996 (Application of Section 80BB to Adoptions from Overseas) Regulations 2010, which were laid before this House on 19 January, be approved.

That the draft Additional Paternity Leave Regulations 2010, which were laid before this House on 23 February, be approved.

That the draft Additional Statutory Paternity Pay (General) Regulations 2010, which were laid before this House on 23 February, be approved.—*(Helen Jones.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

LOCAL GOVERNMENT

That the draft Exeter and Devon (Structural Changes) Order 2010, which was laid before this House on 10 February, be approved.—*(Helen Jones.)*

The House divided: Ayes 251, Noes 163.

Division No. 118] **[7.43 pm**

AYES

Abbott, Ms Diane	Campbell, Mr. Alan
Ainger, Nick	Caton, Mr. Martin
Alexander, rh Mr. Douglas	Cawsey, Mr. Ian
Allen, Mr. Graham	Clapham, Mr. Michael
Atkins, Charlotte	Clark, Ms Katy
Austin, Mr. Ian	Clark, Paul
Bailey, Mr. Adrian	Clarke, rh Mr. Charles
Bain, Mr. William	Clarke, rh Mr. Tom
Baird, Vera	Clelland, Mr. David
Balls, rh Ed	Clwyd, rh Ann
Banks, Gordon	Coaker, Mr. Vernon
Barlow, Ms Celia	Cohen, Harry
Barron, rh Mr. Kevin	Connarty, Michael
Battle, rh John	Cooper, Rosie
Bayley, Hugh	Cooper, rh Yvette
Beckett, rh Margaret	Corbyn, Jeremy
Begg, Miss Anne	Cousins, Jim
Bell, Sir Stuart	Crausby, Mr. David
Benn, rh Hilary	Cruddas, Jon
Benton, Mr. Joe	Cryer, Mrs. Ann
Berry, Roger	Cummings, John
Betts, Mr. Clive	Cunningham, Mr. Jim
Blackman, Liz	Cunningham, Tony
Blears, rh Hazel	David, Mr. Wayne
Blizzard, Mr. Bob	Davidson, Mr. Ian
Bradshaw, rh Mr. Ben	Davies, Mr. Quentin
Brennan, Kevin	Denham, rh Mr. John
Brown, Lyn	Dhanda, Mr. Parmjit
Brown, rh Mr. Nicholas	Dismore, Mr. Andrew
Brown, Mr. Russell	Dobbin, Jim
Browne, rh Des	Dobson, rh Frank
Bryant, Chris	Dodds, Mr. Nigel
Buck, Ms Karen	Donaldson, rh Mr. Jeffrey M.
Burgon, Colin	Donohoe, Mr. Brian H.
Butler, Ms Dawn	Doran, Mr. Frank
Cairns, David	Drew, Mr. David

Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Engel, Natascha
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harris, Mr. Tom
Havard, Mr. Dai
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Robinson, rh Mr. Peter
Rooney, Mr. Terry
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wilson, Phil
Wilson, Sammy
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Steve McCabe and Mary Creagh

NOES

Afriyie, Adam
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Baron, Mr. John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Kenneth
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, Mr. Dai
Davis, rh David
Djanogly, Mr. Jonathan
Dorries, Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Howarth, Mr. Gerald
Howell, John
Hunter, Mark
Hurd, Mr. Nick
Jenkin, Mr. Bernard
Jones, Mr. David
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs. Eleanor
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey

May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Neill, Robert
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spring, Mr. Richard
Steen, Mr. Anthony
Stunell, Andrew
Swayne, Mr. Desmond
Syms, Mr. Robert
Taylor, Mr. Ian
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Wiggin, Bill
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim

Tellers for the Noes:
Mr. Brooks Newmark and Jeremy Wright

Question accordingly agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

LOCAL GOVERNMENT

That the draft Norwich and Norfolk (Structural Changes) Order 2010, which was laid before this House on 10 February, be approved. *(Helen Jones.)*

The House divided: Ayes 249, Noes 171.

Division No. 119] **[7.57 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Butler, Ms Dawn
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Engel, Natascha
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Iddon, Dr. Brian
Ilsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey

Rooney, Mr. Terry
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Steve McCabe and Mary Creagh

NOES

Afriyie, Adam
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Baron, Mr. John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, Mr. Dai
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorries, Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Howarth, Mr. Gerald
Howell, John
Hunter, Mark
Hurd, Mr. Nick
Jenkin, Mr. Bernard
Jones, Mr. David
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs. Eleanor
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Neill, Robert
Newmark, Mr. Brooks
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spring, Mr. Richard
Steen, Mr. Anthony
Stunell, Andrew
Swayne, Mr. Desmond
Syms, Mr. Robert
Taylor, Mr. Ian
Thurso, John
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Wiggin, Bill
Williams, Mark
Williams, Mr. Roger
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim

Tellers for the Noes:
James Duddridge and Jeremy Wright

Question accordingly agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

EDUCATION

That the draft Apprenticeships, Skills, Children and Learning Act 2009 (Consequential Amendments) (England and Wales) Order 2010, which was laid before this House on 10 February, be approved. *(Helen Jones.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

VALUE ADDED TAX

That the Value Added Tax (Buildings and Land) Order 2010 (S.I., 2010, No. 485), dated 1 March 2010, a copy of which was laid before this House on 1 March, be approved. *(Helen Jones.)*

Question agreed to.

Grocery Market Ombudsman Bill (Money)

Queen's recommendation signified.

8.9 pm

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): I beg to move,

That, for the purposes of any Act resulting from the Grocery Market Ombudsman Bill, it is expedient to authorise the payment out of money provided by Parliament of expenditure incurred by the Office of Fair Trading in consequence of the Act.

The Grocery Market Ombudsman Bill was introduced by my hon. Friend the Member for Ynys Môn (Albert Owen) and received a Second Reading on 5 March. It awaits a date for Committee. The Bill provides for the creation of a grocery market ombudsman and sets out a number of rules against which the ombudsman will monitor and enforce compliance with the grocery supply code of practice. It is anticipated that the Bill will result in expenditure being incurred by the Office of Fair Trading, which will be paid out of money provided by Parliament. Accordingly, a money resolution is required so that the Bill may be debated in Committee. I understand that it is supported by all the Front Benchers of all the major parties and was unopposed on Second Reading.

Mr. David Heath (Somerton and Frome) (LD): The Minister is supported by most sensible people on both dies of the House. However, can he explain why he is introducing a money resolution and a Ways and Means motion today given that, as far as I know, there is no indication that the Government are going to provide any extra time for private Members' Bills in order to allow this Bill to make progress? That is what is needed.

Kevin Brennan: I am afraid that the hon. Gentleman will have to wait and see about that. However, we will, of course, need to ensure that the views expressed by respondents to the consultation are adequately reflected in the legislation that will bring the ombudsman into being. The provision of funding to the Office of Fair Trading for expenditure incurred for enforcement of the grocery supply code of practice is necessary if the aims of the Bill are to be achieved. I commend the resolution to the House.

8.10 pm

John Penrose (Weston-super-Mare) (Con): I rise merely to say that Conservative Members are entirely in tune with these provisions. We have already made any points that we wanted to make when the Bill was debated a couple of Fridays ago. I endorse the Minister's point that there is support for it on my side of the House, and we therefore do not propose to oppose the resolution.

8.11 pm

Andrew George (St. Ives) (LD): As my hon. Friend the Member for Somerton and Frome (Mr. Heath) said, it is a pity that the Government have not indicated that they will give us the extra time needed to allow private Members' Bills that have support on both sides of the House to proceed. Despite that rather substantial difficulty, I certainly concur with the comments of the Minister and his opposite number. Liberal Democrat Members would like to the Bill to proceed as quickly as possible.

8.12 pm

Mr. Christopher Chope (Christchurch) (Con): I spoke against this Bill on Second Reading, albeit quite briefly, and my hon. Friend the Member for Shipley (Philip Davies) spoke against it at greater length. Unfortunately, he is not here this evening because he is with a school party visiting the holocaust memorials in Germany. However, I have been able to communicate with him today by telephone, and I know that he shares my reservations about the financial aspect of the Bill, which is what the resolution deals with—the expenditure of more taxpayers' money.

It is ironic that on the eve of the Budget, when the Chancellor will doubtless reveal that we are seriously in the red as a country and will have to reduce expenditure and increase taxes, we can be thinking of allowing such a provision to go through, perhaps unopposed, on the basis that it is a good idea. Up and down the country, there are families who are saying, "This is desirable, and we'd like to do it, but we can't afford it." When are we going to hear any Front Bencher say, "It may be desirable, and we are in favour of it, but we just can't afford it"? I am contributing to this debate in the hope that in the wind-ups the Minister will explain why, when the Government are in such a parlous position in relation to the economy, they think that the expenditure of money on this proposition is worth while and should go ahead irrespective of whether it can be afforded.

Clause 11(1) says:

"The OFT must directly fund all the costs associated with the Ombudsman."

One way of avoiding my criticisms of the Bill, certainly as regards its finances, would be to say that the Office of Fair Trading would have to make compensatory savings for any expenditure incurred as a result of its provisions. As I understand it, that is the position that my hon. Friend the Member for Weston-super-Mare (John Penrose) put forward during the Second Reading debate when he said that he wanted a much leaner and meaner arrangement for dealing with this within the OFT itself. Obviously, if the OFT were able to find compensatory savings, there would not be any additional expenditure for the taxpayer as a result of the Bill, and this money resolution might not be necessary.

I took the liberty of having a peek at the OFT's annual report and resource accounts for the last financial year, and I saw that it had a net operating cost of some £56 million. One might have thought that it might be able to find some savings from within that enormous sum of expenditure. I then looked to see whether any of those savings might come from a different remuneration deal for the key players in this organisation, and I saw that last year its chief executive was paid in the salary range of £270,000 to £275,000 and its chairman was paid in the salary range of £170,000 to £175,000. It should not be beyond the wit of the OFT to find some savings to enable the Bill to be carried through without additional cost to the taxpayer.

The Ways and Means motion, which we will discuss shortly, deals with what I think is even worse than a direct imposition on the taxpayer—a back-handed way of forcing up the prices of goods in the supermarkets through a levy on grocery operators. In the meantime, it is for the Government to assert why they believe that this measure is affordable and to explain more than the

[Mr. Christopher Chope]

Minister has done so far what their intentions are in relation to the future passage of the Bill through this House and the other place. It is not satisfactory to say that there is no more time available for private Members' business, as there could have been if the amendment to the Government's plans moved so ably earlier this year by my hon. Friend the Member for Wellingborough (Mr. Bone)—I am pleased to see him in his place—had been accepted. That would have made it possible to have had debates on private Members' business this coming Friday, but that was ruled out by the Government. I hope that in winding up this short debate the Minister will at least tell us whether he has plans for the Bill to proceed with a Report stage and Third Reading in this House before Dissolution.

Mr. Peter Bone (Wellingborough) (Con): Was my hon. Friend surprised by the speed with which the Minister moved the motion? [HON. MEMBERS: "You missed it!"] That is the point—I missed it because he was so speedy. Is the crux of my hon. Friend's argument that there is no need for this money resolution because savings could be made elsewhere?

Mr. Chope: On too many occasions, the Government try to smuggle business through this House. They seem to be under the impression that because there can be some superficial deal between the Front Benchers, people outside need not be expected to be able to have a say. We know that this Bill is strongly opposed by the British Retail Consortium—

Mr. Deputy Speaker (Sir Michael Lord): Order. Perhaps the hon. Gentleman could now come back to the money resolution.

Mr. Chope: Absolutely, Mr. Deputy Speaker.

One of the reasons why the BRC and other organisations oppose the Bill is that they think that it is going to impose extra burdens on the taxpayer. The argument does not need to be developed at any great length, but it is one of principle. How many people in the House are in tune with people outside in recognising that we are in a dire financial crisis and that the issue of affordability should be taken seriously? In my humble submission, the Bill, however desirable it might be, is unaffordable. That is why I am against the money resolution.

8.20 pm

Mr. David Drew (Stroud) (Lab/Co-op): I rise to make two quick points in opposition to the hon. Member for Christchurch (Mr. Chope). Having followed the issue through from the outset, my understanding is that most of the expenditure involved is, in a sense, historical, because the OFT has done its work. It was inevitable that the Government would have to bring the resolution forward, but the Bill will not incur much expenditure.

More importantly, what is the point of having an Office of Fair Trading if we are not going to listen to its recommendations? I know that that thought has steeled my hon. Friend the Member for Ynys Môn (Albert Owen), who introduced this excellent Bill, and the hon. Member for St. Ives (Andrew George), who has led the campaign admirably. It is only right that we see the Bill through, and I hope that the money resolution will be passed unanimously. There is clearly a view that it is needed, and needed now.

8.21 pm

Mr. William Cash (Stone) (Con): I rise simply to say that I am concerned, because of what the Minister has said and the chicanery that I see at work, to know whether there has been an attempt to manoeuvre procedures in order to prevent us from considering the Bill properly in the normal fashion. Will it simply be left to the wash-up so that it goes through without any consideration? I believe the Bill has merit, but the way it is being taken through has none.

8.21 pm

Albert Owen (Ynys Môn) (Lab): I am pleased to follow, and agree with, the hon. Member for Stone (Mr. Cash): as the Member in charge of the Bill, I believe that it is has a lot of merit. We had an honest and open debate about it, in which the hon. Member for Christchurch (Mr. Chope) took part and tried to muster support against it but failed miserably. The only supporter that he had is in Germany today; he was unable even to get him into this country to oppose the Bill.

I support the money resolution. We need to move forward, and I believe that we are building a strong consensus. The hon. Member for Christchurch can name only the British Retail Consortium to support his point, and only senior members of that. Many of its individual members support the Bill. I believe that the supermarkets will come on board and the Bill will be the way forward, but it does have some start-up costs.

Mr. Chope: Does the hon. Gentleman expect the Bill to get on to the statute book during this Parliament, and if so, by what means?

Albert Owen: I am certainly working through the procedures, and that is why we are here tonight. The Government have agreed to give the Bill time, and I will try to get it into Committee on the 30th of this month if the resolution is passed. I hope we can move forward as quickly as possible.

The principle of the Bill is sound. As my hon. Friend the Member for Stroud (Mr. Drew) said, there are some start-up costs to get the scheme going. I describe the Bill and the grocery market as a game of rugby. We need to have a referee, and that referee needs help and support. The money resolution will provide that.

Lembit Öpik (Montgomeryshire) (LD): Does the hon. Gentleman agree that the inevitable inference from what the Conservatives who oppose the Bill say is that economic difficulties should be unloaded on to small grocery stores? In other words, those Members' solution to the recession is to carry on subjugating the people who will be least able to afford to continue running their businesses.

Mr. Deputy Speaker: Order. I am sure the hon. Gentleman realises that this is not the time to open up that kind of debate.

Albert Owen: I am grateful, Mr. Deputy Speaker. We have had a wide debate on the Bill, and I have to correct the hon. Gentleman—it is not the Conservative party that is against the Bill; it is in favour of it. One or two of its members, only one of whom is in the country at the moment, oppose it.

Chris Ruane (Vale of Clwyd) (Lab): I thank my hon. Friend for giving way and for moving the Bill forward. In the fine tradition of naming these watchdogs, such as Ofcom and Ofgas, may I proffer a name for the new watchdog body for the supermarkets of Oftrolley?

Mr. Deputy Speaker: Order. The House might just think about that for a moment.

Albert Owen: I am sure we will all consider that, but I want the House to think seriously about the money resolution and support it.

8.24 pm

Kevin Brennan: I understand the opposition of the hon. Member for Christchurch (Mr. Chope) to any public expenditure on a lot of matters that are brought before the House, but there is a wide consensus behind the Bill across the country—outside the House as well as inside. A lot of evidence was taken and presented to the Government before we decided to support the Bill and the creation of a grocery ombudsman. The debate on the ways and means motion may answer some of the questions that have been raised during this debate.

Question put and agreed to.

Grocery Market Ombudsman Bill (Ways and Means)

8.25 pm

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): I beg to move,

That, for the purposes of any Act resulting from the Grocery Market Ombudsman Bill, it is expedient to authorise

(1) arrangements to raise money from retailers to cover costs associated with the Grocery Market Ombudsman, and

(2) the payment of sums into the Consolidated Fund.

As we have just heard, the Bill introduced by my hon. Friend the Member for Ynys Môn (Albert Owen) received its Second Reading on 5 March. It provides for the creation of a grocery market ombudsman and sets out a number of rules against which the ombudsman would monitor and enforce compliance with the code. It will enable the ombudsman to raise money from retailers to cover costs associated with the grocery market ombudsman, and it will provide for payment of sums into the Consolidated Fund. Accordingly, a Ways and Means motion is required in order that the Bill can be debated in Committee. I commend the motion to the House.

8.26 pm

John Penrose (Weston-super-Mare) (Con): I rise merely to reiterate my earlier point that the Conservative party is in favour of the principle behind the Bill. We have one or two very small quibbles to be dealt with in Committee, but that is all. We are entirely behind the principle, so we will not oppose the motion.

8.26 pm

Mr. David Drew (Stroud) (Lab/Co-op): Again, I will not delay the House for long. The motion is at the kernel of the argument about this whole issue. The supermarkets that oppose the Bill, which of course not all do, made it abundantly clear that they thought it was an expensive luxury. The reality is that the figure that has always been quoted is some £5 million, which everybody who is fair-minded would say is a drop in the ocean compared with supermarkets' profits, let alone their turnover. It is absolutely right and proper that we take the Ways and Means motion through.

Dan Rogerson (North Cornwall) (LD): I pay tribute to the work that the hon. Gentleman, the hon. Member for Ynys Môn (Albert Owen) and my hon. Friend the Member for St. Ives (Andrew George) have done on this issue. Does the hon. Gentleman agree that what we are discussing now is the answer to those who raised questions in the previous debate? The provisions in the Bill will pull in money to put in place the regulation that we want to see.

Mr. Drew: Yes, of course, and that is the whole point of bringing forward the motion.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): In fact, the £5 million to which the hon. Member for North Cornwall (Dan Rogerson) referred is a minuscule proportion of the rates advantage that large shops have over small retailers. It is a drop in the ocean; there is no argument about that.

Mr. Drew: That is why I think this motion should be agreed to—unanimously, I hope. This is important legislation, and the motion is about the House doing what it does best. We are bringing fairness and justice to the trade. Those of us who have studied that trade for some time know that the unfairnesses are legion and that they have grown over time. As the hon. Member for Ynys Môn (Albert Owen) said in the debate on the previous motion, we need to bring some fairness back into the grocery trade overall, and this is the legislation to do that.

8.28 pm

Andrew George (St. Ives) (LD): I support the Minister and his opposite number on the Conservative Benches, the hon. Member for Weston-super-Mare (John Penrose). I support the motion and look forward to debating the Bill in Committee on 30 March. The motion relates to clauses 11 and 12 of the Bill, which are central to it. When the Competition Commission produced a report on the issue two years ago, it clearly identified that supermarkets were passing unexpected costs on to their suppliers, which has an impact on the ability of the supply chain to innovate and a considerable knock-on effect for consumers.

As I said, the motion is central to the Bill, which the hon. Member for Ynys Môn (Albert Owen) introduced. I hope that we can make important progress next week, and that the Minister will find ways to hasten the Bill's passage to ensure that it is enacted before we go for a general election.

Lembit Öpik (Montgomeryshire) (LD): Does my hon. Friend agree that this is a most important Bill for rural constituencies? My constituents who are involved in agriculture are absolutely desperate for a fairer deal when they supply the large supermarkets, and this Bill can enable that. For that, the Ways and Means arrangements in the motion are vital.

Andrew George: My hon. Friend is of course absolutely right to say that the motion is fundamental. I hope that the Minister has heard the wide support for the Bill, of which I know he is aware, and that he will enable the Bill to be enacted before the general election.

8.31 pm

Albert Owen (Ynys Môn) (Lab): I rise briefly to echo the points made by my hon. Friend the Member for Stroud (Mr. Drew). This motion is the crux of the Bill. It dispels the myth that the Bill will be costly, a notion that many have propagated, particularly when they have been lobbied hard by the larger supermarkets. It is not going to be costly; it will be financed on a formula that withstood scrutiny and which the Competition Commission itself recommended. It is about fair trading and fairness to the suppliers, and it will give better choice to the consumer.

Mr. David Heath (Somerton and Frome) (LD): The Bill will be very costly to the supermarkets if the ombudsman does its job properly and gives a fair deal to our primary producers, particularly those in the dairy industry in constituencies such as mine, and quite rightly too, because that will be fair.

Albert Owen: As I said in the previous debate, we are dealing with a money resolution and a Ways and Means motion, but the issue is fairness, so the hon. Gentleman is right. However, I believe that the supermarkets, which have adopted the new code, will be fair, that that will benefit our suppliers, and that consumers will benefit as a result.

The Bill is about fair dealing. Some of the supermarkets are already adhering to that, and I think they will all come on board. Tonight I support my hon. Friend the Minister, who is taking the matter forward and who supports the principle. We have great consensus across the House and have united the Front Benchers. I hope the motion is passed tonight and that we can get on with talking about the details in the Bill. As I said, there is much consensus and good will, so let us move that forward.

8.32 pm

Mr. Christopher Chope (Christchurch) (Con): Again, I find myself almost in a minority of one, but that will not inhibit me in saying what I am going to say, because I know that what I say is echoed by Sainsbury's and Tesco and a whole lot of major supermarkets. Why are they major supermarkets? Because they have the confidence of their customers and they deliver good quality at keen prices. The supermarket market is very active, with firms coming and going depending on how they perform. Our successful supermarkets are the ones that operate in favour of the consumer, on behalf of whom I speak unapologetically. Other hon. Members have spoken on behalf of the producers.

Dan Rogerson: I want to clarify something. The hon. Gentleman said in the previous debate that he thought the Bill had merit, but he now seems to be saying that the whole premise is incorrect. I am intrigued.

Mr. Chope: I never said that I thought the Bill had merits; one of my hon. Friends did. If the hon. Gentleman looked at the report of my speech on Second Reading, he would see that I do not find any merit in the Bill.

I am sure that the problem should and could be addressed by the Office of Fair Trading and the Competition Commission. I do not think that the Bill is the solution.

In particular, what I do not like about the aspect of the Bill that we are discussing is the fact that the measure will be financed by a levy on the supermarkets. That levy will be of unlimited extent, as the Minister for Regional Economic Development and Co-ordination said when she referred to the issue on Second Reading. She also said:

> "We are determined not to place any unnecessary costs on business, particularly in a period of economic difficulty. That is one of the reasons why we are consulting on the scope, scale and responsibilities of the new ombudsman. We want to make sure that we get this right." —[*Official Report*, 5 March 2010; Vol. 506, c. 1164.]

The Government have got the cart before the horse: they should have consulted and thought through the issue before the legislation was brought forward. It should have been sorted out before the Ways and Means motion was brought before us. Under the Bill, if it ever becomes law, there will be no limit to the amount of money that could be spent by the ombudsman, and therefore to the costs that could be imposed on supermarkets and their customers.

Albert Owen: The hon. Gentleman is slightly misrepresenting the formula, which says, from memory, that each of the 11 large supermarkets will contribute 0.005 per cent. of its turnover under the scheme. Those that will pay the most are those that are referred to the ombudsman the most. All those supermarkets accept the code of practice, so they have nothing to fear unless they breach contracts or cases are taken up by the ombudsman. The hon. Gentleman is, I feel, misleading the consumer when he says he thinks that there will be additional costs placed on them, or on the goods. The good supermarkets will take that on board, and we will see fair trading.

Mr. Chope: I am grateful to the hon. Gentleman for that intervention. If there are additional costs, I do not see how they will not have to be borne by somebody. If they are not borne by the supermarkets, they will have to be passed on to their customers. The hon. Gentleman refers to the reimbursement formula; I will not trouble the House by reading out the best part of 40 lines in clause 12 that set out the formula in great detail. It is clear from those provisions in his Bill that the reimbursement formula is at large. That is why the Minister said what she did when summing up the debate on Second Reading. There is still great uncertainty about the exact basis on which the money will be raised and recovered by the ombudsman.

Nobody can dispute that any person appointed ombudsman is likely to want to increase their empire, rather than do themselves out of a job. That is the nature of Parkinson's law.

Chris Ruane (Vale of Clwyd) (Lab): Cecil?

Mr. Chope: Lord Parkinson of Carnforth would be flattered to be thought the author of Parkinson's law, but those of us of a certain age remember its real author. Nothing has changed since that law was discovered: the instinct for the public sector, in particular, to grow like Topsy, and to use every power that it is given to grow its own empire, is apparent. Indeed, the latest figures that I have seen show that while private sector employment has fallen by about 500,000 over the past year, there has been an increase in public sector employment. Obviously, there are some people in the House who would like the public sector to grow even larger, and obviously—

Mr. Deputy Speaker (Sir Michael Lord): Order. Will the hon. Gentleman please come back to the motion before the House?

Mr. Chope: Absolutely, Mr. Deputy Speaker. If the public sector grows any larger, it will be even more of a burden on the people who are paying, and the point of the motion that we are discussing is that, ultimately, the people who will pay are the consumers.

As the supermarkets have said, the Bill is misconceived, because it is helping the suppliers and attacking the consumer interests. Some of those suppliers are much larger international conglomerates than the supermarkets themselves. I think it is very sad that the House is not prepared to leave the retail grocery industry alone and let it get on with it, because it is one of the most successful and vibrant parts of our economy. There are many people living elsewhere in Europe, and further afield, who envy us the quality and value that we get from our supermarkets.

I fear that the Bill will enable an interfering ombudsman, rather like a self-financing regulatory authority, to expand an empire and to impose arbitrary penalties and the substantial and expanding costs of his office on the supermarkets. Inevitably, the supermarkets either will be made less competitive or will have to pass on those costs to their customers. In my submission, it is a matter of basic economics, and I hope that the House will therefore reject this Ways and Means motion. If there is a silver lining, it is that if the Bill goes to Committee, we will at least be able to see, when my hon. Friend the Member for Weston-super-Mare (John Penrose) tables his amendments, exactly how much he would like to constrain the Bill, so that it can deliver a leaner and meaner solution.

8.41 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I have not heard such a load of rubbish in many years.

Mr. Peter Bone (Wellingborough) (Con): I do not believe that!

Mr. Llwyd: Well, we do hear a lot of rubbish in this place—that is quite right.

In my respectful submission, the £5 million that was posited is a small price to pay to ensure a fair deal for suppliers. Let us cut to the chase. We are talking about small and medium-sized farms, which are at a competitive disadvantage. Typically, they sell milk, for example, to supermarkets, often at cost price. They say, "We carry on doing that because at least there's a cash flow involved. At least we can more or less pay our bills. There's not much profit at the end of the year, but at least we can pay our bills. We can do that now, but the next generation will not be following us."

At the end of the day, by adopting the Bill we are trying to stem the way in which the dairy industry in particular is being decimated by unfair competitive advantages. Other parts of the agricultural industry are affected as well. I think it is a splendid Bill, and I congratulate the Member in charge, the hon. Member for Ynys Môn (Albert Owen), on bringing it to the House.

Mr. William Cash (Stone) (Con): I happen to agree very much with what the hon. Gentleman has said. I hear on the grapevine, among dairy farmers, that it is very difficult for them to take a position towards the supermarkets. The supermarkets have so much control over their lives that it is almost impossible for them to resist the basis of the monopoly about which I shall speak in a moment.

Mr. Llwyd: The hon. Gentleman is right. Some years ago, I went to see Lord Bach to complain about the situation. Although I had enough evidence, I did not have names and addresses of suppliers, because they were afraid to supply them. He said, "If you come back with some suppliers who are prepared to stand up and be counted, we can do something." As I said, however, the point is that at least they are getting some form of

[Mr. Llwyd]

cash flow that is keeping them just above water. That is not the basis on which to look forward—

Mr. Deputy Speaker: Order. I am reluctant to intervene on the hon. Gentleman, but he is in danger of moving towards a Second Reading debate. This, actually, is simply about the financing of the arrangements.

Mr. Llwyd: As I was saying, the £5 million, to me, seems a fair figure taken in the round. I fully support the Bill—

Lembit Öpik: Will the hon. Gentleman give way?

Mr. Llwyd: In a moment! [HON. MEMBERS: "Ooh!] The hon. Gentleman is a serial intervener—Lembit the Intervener, as he is known in Montgomeryshire. I shall briefly finish my point, having been admonished by the Chair. This is a good Bill, and I hope it can see the light of day and make the statute book before we rise for the forthcoming skirmish.

Lembit Öpik: I am grateful to the hon. Gentleman for indulging my enthusiasm for standing up for the constituency that I love—Montgomeryshire. On this occasion, I simply ask whether he agrees that this small sum provided through the Ways and Means arrangement would not be necessary had the supermarkets taken a more considerate, conciliatory approach towards suppliers, whom they are virtually squeezing out of their livelihoods.

Mr. Llwyd: I think that that is right. I would also add that it would have helped if the Office of Fair Trading had had a few more teeth.

Mr. Chope: Has the hon. Gentleman forgotten that, after the foot and mouth disease outbreak, the supermarkets came to the assistance of the dairy industry and offered it more money? The consequence was that the supermarkets were taken to the Competition Commission because it was suggested that they were doing down the consumers.

Mr. Llwyd: Yes, I recall that happening, and I thought it was quite bizarre. The Competition Commission was at fault to take such a stance. Anyway, I support the Bill and I wish it well.

8.45 pm

Mr. William Cash (Stone) (Con): I rise to support the general principle of the Bill, but I have to say that I am concerned about the mechanics and what I would describe as chicanery in the conduct of procedures of the House. When I see those on the Front Benches taking positions in advance of a wash-up, I begin to smell a rat. I am concerned, although I do not know for sure whether this is going to happen, that—

Mr. Deputy Speaker: Order. I am not asking the hon. Gentleman at this stage to withdraw anything, but he has used terms such as "chicanery" and "smell a rat". I think that he ought to be a bit more moderate in his language.

Mr. Cash: I have used that expression in the past, Mr. Deputy Speaker—

Mr. Deputy Speaker: Order. Not in my presence, I suspect.

Mr. Cash: I am more than happy to moderate my expressions, Mr. Deputy Speaker. Let us be moderate and charming in our language; let us admit that there is sometimes an understanding—I am not saying that there is in this case—between the Front Benches, and that is when I say, "Watch out for the silver spoons!"

An important principle is involved. I have listened with interest to other Members, and I strongly believe that free trade is important, as is fair trade. I have seen dairy farmers and, indeed, small businesses in my constituency subjected over and over again to the overarching influence of the uncompetitive strength of the supermarkets. I acknowledge that supermarkets do an enormous amount of good, in terms of what the average person buys and the extent to which they are used, and I understand the argument put forward by my hon. Friends the Members for Christchurch (Mr. Chope) and for Wellingborough (Mr. Bone) on that point, but the reality is that when enormous supermarkets are sited outside small towns, or when they invade them, the small businesses there dry up. In the high street—

Mr. Deputy Speaker: Order. I do not enjoy interrupting hon. Members when they are in full flow, but this debate is about the funding for the Bill; it is not a Second Reading debate.

Mr. Cash: I accept your point, Mr. Deputy Speaker, but monopoly is about economics, you see, and about financing. It is the very financing that poses the question: "Who gets what for what?" The bottom line is that £5,000 an hour is nothing for the supermarkets. I would simply say that money speaks. Given the financing and economics involved, the people who suffer are the small businesses and those affected by the use of monopoly power. Farmers, who are often unable to resist the power of the supermarkets because they are so reliant on them, are also affected.

Mr. Chope: I am sorry that my hon. Friend and I are not agreeing, but does he accept that the consequence of this Ways and Means resolution will be a financial burden on the supermarkets which will inevitably be passed on to consumers?

Mr. Cash: I certainly agree that achieving fairness may turn out to have a cost attached to it, but we need to be aware of the monumental profits made by companies such as Tesco, Sainsbury's and others and the effect on small businesses, certainly in Stone. That is not to say that I object to the fact that we have supermarkets, but I do object to the fact that there is an on-cost for the smaller businesses and for dairy farmers.

When it comes to Ways and Means motions such as this, it is important to try to find a resolution. This does not mean that supermarkets are going to end; this does not mean that they are not going to create competitiveness. However, this also provides an opportunity for those who have a genuine grievance. I have raised matters such as the cost of milk with the Office of Fair Trading.

I spoke to the director-general—or whatever he is called—of the competition tribunal and I am deeply worried that it does not work effectively.

I have some reservations. We saw what happened with Equitable Life, but I am not going to go down that route, Mr. Deputy Speaker. Ombudsmen may or may not have a cost, but they do not necessarily produce all the answers. I strongly support the idea of the Bill, which I hope will work in practice and I hope will not do damage to consumers. Without a doubt, I am in favour of the small businesses and the dairy farmers, and I want to be sure that we end up with those people being properly looked after. It is not protectionism, but looking after people in a fair manner.

8.51 pm

Mr. Peter Bone (Wellingborough) (Con): I will be brief. It is a pleasure to follow my hon. Friend the Member for Stone (Mr. Cash). I do not want to talk about the merits of the arguments, although they have been powerfully made. I am sure that the Bill is a good one. The Ways and Means motion will obviously incur a cost to industry, which is part of the debate that arises on the Bill.

We would not necessarily be in this position if, earlier this year, the House had not amended the Standing Orders. We would have had more time for private Members' business and we could have sat on this—

Mr. Deputy Speaker: Order. The hon. Gentleman has immediately gone out of order. We are talking about the funding of the grocery market ombudsman, not the time allocated for debate or any other matter.

Mr. Bone: I apologise, Mr. Deputy Speaker. All I can say is that we just cannot go on like this; it is time for change.

8.52 pm

Kevin Brennan: I am glad that in calling the hon. Member for Stone (Mr. Cash) to order, Mr. Deputy Speaker, you echoed the maxim of the late great Michael Foot, "He can rat, but he can't re-rat."

The Ways and Means motion, which is what we are debating, even though we have ranged quite widely, is designed to demonstrate how the ombudsman could be funded by a levy on industry. It has wide support across the House. It will be reasonable and proportionate and it will bring value to producers and consumers. That is why I commend it to the House.

Question put and agreed to.

PETITIONS

Planning (Chester)

8.53 pm

Christine Russell (City of Chester) (Lab): I am grateful for the opportunity to present a public petition, which is signed by a large number of my constituents in the City of Chester who object to Cheshire West and Chester council's lack of public consultation with local people on the decision to sell county hall and move the council offices to the new headquarters building. The petition was collected by a constituent of mine, Reg Barritt. It states:

Wherefore your Petitioners pray that your Honourable House refer our petition to the relevant Select Committee for Communities and Local Government or other body as you deem appropriate requesting that the body review the effectiveness of the said legislation and guidance concerned with the duty to involve provided by this House with reference to the way local authorities are interpreting and operating that legislation and guidance in the public interest and with regard to our legislated rights.

And your Petitioners, as in duty bound, will ever pray, &c.

Following is the full text of the petition:

[The Humble Petition of the people of Chester in the County of Cheshire being electors of the Local Authority of Cheshire West and Chester,

Sheweth, that in the process of our new Local Authority of Cheshire West and Chester planning the disposal of its Chester County Hall in a restricted preferential sale to Chester University, and of making a costly move of its Chester headquarters, on a leasehold agreement, to the new so called 'HQ Building' beside Chester racecourse, the local community has found itself excluded throughout from any meaningful consultation over the plan with Council; and has additionally been denied essential information prior to the completion of the scheme, and subsequent to it, that we are certain we should have been entitled to know.

Sheweth, that this failure by our local authority to consult with its people over this planning matter is in conflict with the legislative requirements and advisory guidance issued by Parliament in the form of, for example, the publication 'Communities in Control-real people, real power', and the 'Action for Empowerment' and 'Duty to Involve' white papers stating a statutory duty for all councils to engage fully and from an early stage with the public over such matters; and that this behaviour towards its public by Cheshire West and Chester Council is, in addition, in conflict with its own published 'Statement of Community Involvement' and the operative interim and draft forms of its 'Sustainable Community Strategy'.

Sheweth, in addition the validity of this most respectful submission by dutifully reminding this House of the relevance of and of the UK's commitment as a full signatory to the 'European Convention on Access to Information, Public Participation in Decision Making, and Access to Justice in Environmental Matters'; this generally being known as 'The Arhus Agreement'.

Wherefore your Petitioners pray that your Honourable House refer our petition to the relevant Select Committee for Communities and Local Government or other body as you deem appropriate requesting that the body review the effectiveness of the said legislation and guidance concerned with the duty to involve provided by this House with reference to the way local authorities are interpreting and operating that legislation and guidance in the public interest and with regard to our legislated rights.

And your Petitioners, as in duty bound, will ever pray, &c.]

[P000766]

Wind Farms (Mid Wales)

8.55 pm

Lembit Öpik (Montgomeryshire) (LD): This petition is on a serious issue relating to the development of wind farms. The question of the merits of wind farms is for another time, but through the petition I seek to draw the House's attention to the transportation of thousands of loads by heavy good vehicles through rural mid-Wales,

[Lembit Öpik]

which has not been thought out and will cause all kinds of upset, disruption and perhaps even difficulty for the emergency services.

The petition states:

The Humble Petition of Robert A Robinson,

Sheweth, that the Communities of Mid Wales (in particular Welshpool, Newtown, Guilsfield and Montgomery) are deeply concerned about the effect of the transportation of materials for the building of wind farms in Mid Wales and in particular the effects on the towns mentioned over a sustained period.

Wherefore your Petitioners pray that your Honourable House will call upon the Government to ensure that a public inquiry into this matter is held before any wind farm development is approved or allowed to take place.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000774]

Financial Assistance Scheme

8.56 pm

Mr. William Cash (Stone) (Con): I have the honour to present this petition about the many pensioners—hundreds, if not more—in my constituency who are affected by the matter raised. The petition states:

The Petition of residents of the constituency of Stone in Staffordshire,

Declares that pensioners who have lost all or a greater part of the pension due to failed occupational pension schemes have not been properly compensated by the Government under the Financial Assistance Scheme (FAS) due to the failure of pensions regulation, as proven by the Parliamentary Ombudsman and the High Court; that at the very least the Government must provide 90% compensation, which is not eroded by regulations and current FAS failings; that indexation should fully reflect that provided by original schemes; that backdating should be to scheme Normal Retirement Age and not an arbitrary May 2004 cut-off date; that a higher tax-free cash limit should be provided, irrespective of scheme asset share, to be paid on request; that access on early retirement is made irrespective of ill health (with an actuarial adjustment); that recognises the pre-retirement scheme revaluation basis; that has the provision of meaningful benefit projections; that recognises the harmful effects of the earnings cap on long-serving members.

The Petitioners therefore request that the House of Commons urges the Government to ensure those pensioners are properly compensated 90% or more of the true value of their pension through immediate amendment of the Financial Assistance Scheme.

And the Petitioners remain, etc.

[P000771]

Power Station (Blythe Park)

8.59 pm

Mr. William Cash (Stone) (Con): The second petition that I have the honour to present relates to the proposal for a gas-fired power station at Blythe Park in my constituency. The petition has well over 1,000 names and is a substantial and controversial issue in my constituency.

The petition, the wording of which I strongly support, states:

The Petition of residents of Creswell and the surrounding areas in Staffordshire regarding the Blythe Park gas-fired power station proposal,

Declares that the Petitioners recognise that the gas-fired power station is completely out of character with the area; the pollution created will be deposited across in and around an area of outstanding beauty; this site has historic and ongoing issues with toxic waste, and any major development will unsettle this waste leading to serious health concerns for the local community; the infrastructure leading to the site is wholly inadequate; the development will have disastrous consequences for local wildlife; following development, the community and surrounding areas will be blighted by significant noise and light pollution; the proposed site for the development is a known flood plain; Staffordshire County Council and Staffordshire Moorlands District Council have already made it officially clear that they completely object to these proposals; and the power source is non-sustainable, costly and not environmentally friendly.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Energy and Climate Change to launch a public inquiry into the proposed Blythe Bridge power station proposal and take further steps to prevent this project from going any further.

And the Petitioners remain, etc.

[P000773]

Personal Hearing Systems

Motion made, and Question proposed, That this House do now adjourn.—*(Mary Creagh.)*

9.1 pm

Bob Russell (Colchester) (LD): We all know about the curse of binge drinking, and we all know that when alcohol is taken to excess it causes lasting damage to a person's health. What is not so well known—indeed, it seems to be something of a state secret—is the curse of "binge listening" to personal music systems, collectively known as MP3s. MP3s are an invention from the last decade of the 20th century that has taken serious hold in the first decade of the third millennium.

Every day millions of people plug into MP3s, individual music systems that pump music, often very loud music, straight into the ears of users who are oblivious to the fact that they are destroying their hearing. The figures are staggering. It is estimated that 10 million people in the United Kingdom, and more than 100 million in the European Union, have MP3 systems, which are often generically—but wrongly—described as iPods. On the 453 "bendy bus" travelling to the House of Commons from the Old Kent road at 6.15 this morning, I counted six passengers of the 18 in the section in which I was travelling who were plugged into MP3s.

It can be said, in blunt terms, that a contemporary 20-year-old serial user of an MP3 will, at the age of 40, have the hearing capacity of someone aged 60. That is the prediction of the Royal National Institute for Deaf People. The RNID, as it is more generally called nowadays, very kindly helped me with the background for my speech. Yet whereas over the years there have been countless health warnings about the consequences of alcohol excess, there are effectively no health warnings about the consequences of the excessive use of MP3 personal music systems.

Regrettably, the Department of Health has washed its hands of the looming man-made disaster affecting the nation's hearing. It has said that health matters resulting from the use of MP3 personal music systems are not matters for the Department of Health! Bizarrely, in a single written answer provided on 24 June last year in response to five detailed questions that I had tabled about MP3 players, one of which specifically urged the Secretary of State for Health to

"take steps to increase levels of public awareness of the potential effects on hearing of listening to personal music players at high noise levels",

the Minister of State, Department of Health, the hon. Member for Lincoln (Gillian Merron), said:

"The safety and regulation of consumer products, such as personal music players is, within Government, primarily a matter for the Department of Business, Innovation and Skills."

So there we have it: responsibility for health-related hearing impairment caused by MP3s is not a matter for the Department of Health, but a matter for the right hon. Lord Mandelson, First Secretary of State, Secretary of State for Business, Innovation and Skills, and Lord President of the Council. No doubt we must now add to his ever-lengthening title "and Minister for MP3 hearing impairment".

The Minister of State did graciously go on to add in her written answer:

"The Department welcomes the report of the European Union's Scientific Committee on Emerging and Newly Identified Health Risks."

It is good that the European Union is more concerned about this newly identified health risk than seems to be the case with Her Majesty's Government. The Minister's written answer then went on to say:

"The Department, advised by the Health Protection Agency, keeps under review the risks to health which may be attributed to various kinds of noise."

She concluded with this rallying cry of inertia and inactivity:

"The Department has no plans at present for an information campaign on the risks to hearing posed by the use of personal music players."—[*Official Report*, 24 June 2009; Vol. 494, c. 1004W.]

This was not the first time that I had raised my concerns with the Department. I had also tabled parliamentary questions, first in May 2007, and then again in May 2008. On 2 May 2007, I was told that the Department had made no estimate of the number of people using iPods who will suffer hearing impairment as a result. On 6 May 2008, the same Minister, in response to my asking the Secretary of State to commission research into the effects on hearing of the use of personal MP3 players, acknowledged in a written answer that

"It is already widely understood that playing personal audio equipment too loud can damage your hearing."—[*Official Report*, 6 May 2008; Vol. 475, c. 746W.]

Thus, Mr. Speaker, it was recognised two years ago, and no doubt earlier, by the Department of Health that personal musical systems were a potential health problem, but it would appear that, two years later, the Government have failed to take any meaningful action. Interestingly, on the same day, I was called at Health Questions and directly challenged the then Secretary of State. This is what I said:

"Audiologists have expressed concern about the potential hearing impairment brought about by young people wearing personal music centres plugged into their ears. Does the Secretary of State agree that there is a serious likelihood of hearing impairment affecting those young people at a much earlier stage of their lives, and that there should be an inquiry into what action can be taken to prevent the danger of hearing impairment being brought about by those items of social fashion?"

In his oral response, the Secretary of State, amidst banter—the word "Interruption" appears twice in the *Hansard* report—said at one point:

"I do not think that this issue can be near the top of our agenda, but it does need to be looked at."

After commenting on other matters relating to music noise, the Secretary of State then concluded with reference to MP3s by saying:

"yes, I do think that we should look into that issue."—[*Official Report*, 6 May 2008; Vol. 475, c. 570.]

Almost two years later, will the Minister tonight say what action the Department of Health has taken following the promise that the matter would be "looked into"? Will the Minister also advise me when—I hope this has happened—his Department published a report by an ad hoc advisory group that I was told in a written answer on 11 June 2007 had been set up to

"advise about the effects of environmental noise on health, which includes the risk to hearing from over exposure to loud noise. This group is currently producing a report on these matters, which is due to be published later this year."?—[*Official Report*, 11 June 2007; Vol. 461, c. 870W.]

I had asked the then Secretary of State—remember, this is approaching three years ago—what steps her Department had taken to educate people about the risk to their

[Bob Russell]

hearing from over-exposure to loud noise and whether she would make a statement. Almost three years on, the answer to that appears to be little to nothing. Three wasted years: three years in which the hearing of millions of British people has been put at risk because the Government failed to take action on what audiologists were aware was happening, and what the Department of Health must have known was happening, if it was paying attention to this emerging and newly identified health risk. If I knew, the Department—with all its expert advisers—must have known as well.

I was first alerted to the pending hearing doomsday scenario by two audiologists in my Colchester constituency whom I had gone to see on a totally unrelated topic: the switchover to digital hearing aids. In conversation, they said that personal music systems were already destroying the quality of hearing of many young people. I therefore hope that tonight's debate will focus attention on the serious medical time-bomb which is ticking away, very loudly, and that the Government, and those who manufacture and sell MP3 players, will take swift and effective action to make people aware that, at their current levels, in terms of both excessive usage and excessive sound, people are destroying their hearing quality for the rest of their lives. The cost to the national health service in the years to come will be substantial, and the cost to the quality of life of those with seriously impaired hearing cannot be quantified financially.

The Royal National Institute for Deaf People—the RNID— Britain's largest charity which seeks to help the nation's estimated 9 million people who are deaf or hard of hearing, has launched a "Don't Lose the Music" campaign, which aims to make sure that people know how and why to protect their hearing while enjoying music. The charity does not want to see the figure of 9 million grow, but it will grow massively as a direct result of MP3 players unless firm action is taken now to deal with the seriousness of the problem. According to figures released by the World Health Organisation, exposure to loud music is the major avoidable cause of permanent hearing loss worldwide. MP3 players are exacerbating the problems on a huge scale. Experts agree that noises over 85 decibels—that is equivalent to a loud alarm clock, heavy traffic or a power drill at close range—will damage hearing over time.

The RNID has estimated that a high number of people in the UK are at risk of damaging their hearing from "leisure noise"—MP3 players pose a significant risk in that regard. Research conducted by the RNID in 2006—it is believed that the situation has deteriorated since—suggested that 90 per cent. of young people had experienced the first physical signs of hearing loss, which are dull, fuzzy hearing or temporary tinnitus, after a night out.

MP3 players must not be blamed for all of this—there are other situations where noise causes problems—but that is no excuse not to take effective action to save users of MP3 players from suffering permanent hearing impairment. Astonishingly, I am advised that the regulations dealing with noise at work do not provide protection for consumers, so that gap in the existing legislation needs to be addressed. We also need other regulations or legislation to deal with the health menace from MP3 players. I am told that it is not unusual for the noise level of MP3 music input directly into the ears to be greater than what would be legally permitted in a factory environment.

What does MP3 stand for? I thought I ought to ask, and the answer, which has kindly been provided by the RNID, is as follows:

"MPEG-1 Audio Layer 3, more commonly referred to as MP3, is a patented digital audio encoding format using a form of lossy data compression. It is a common audio format for consumer audio storage, as well as a de facto standard of digital audio compression for the transfer and playback of music on audio players."

One can understand why it is called MP3.

I am chairman of the all-party group on noise reduction, which for many years has promoted awareness of noise issues on the advice of the UK Noise Association, and this is not the first time that I have secured a debate relating to noise. On 21 March 2002—eight years ago almost to the day—I had an Adjournment debate headed "Noisy Neighbours". I also wish to draw the House's attention to early-day motion 1154, which I tabled last night and which was published today. It is headed "Government Noise Policy Statement" and records regret

"that the Noise Policy Statement published by the Department for Environment, Food and Rural Affairs on 15 March falls far short of what had been expected and what is required to tackle the increasing levels of noise in society and the range of problems associated with noise, including quality of life and health issues for the people of this country".

There is clearly a need for a much more determined approach from the Government—a joined-up approach—to tackle noise issues. While the Department of Health has seemingly been very lax in respect of hearing impairment issues relating to MP3 players, both the Ministry of Defence and the Department for Transport have recognised specific serious matters that need to be addressed, and have addressed them. The Ministry of Defence has a defence hearing working group, whose remit is to ensure that military personnel take precautions in protecting their hearing, not just when training or deployed on active service, but in social situations. When I have been on exercises in this country or overseas—I have seen our troops serving in both Iraq and Afghanistan—I have noted the requirement to wear ear plugs and other ear protectors. The Army has produced a training video containing a section—this relates specifically to the title of tonight's debate—on soldiers' social lives and how MP3 players can damage their hearing. I am told that the video refers to hearing loss as being "painless, progressive and permanent". The Army encourages soldiers to embed the culture of valuing their hearing at all times.

RoSPA—the Royal Society for the Prevention of Accidents—has informed me that although little hard data are available it is aware that tragedies have occurred when cyclists and pedestrians wearing MP3 players who did not hear the sound of vehicles around them have been killed or injured. The society told me:

"RoSPA's advice is that anyone using an iPod, mobile phone or similar when out walking, jogging or cycling needs to be aware of the risk that they may be 'in a world of their own' and miss the vital clue of an approaching vehicle."

A second road safety charity, Brake, told me:

"Unfortunately there are no statistics on the number of road casualties MP3s have contributed to or caused, but it is a story that we hear time and time again from our bereaved and seriously injured volunteers."

It added:

"Distraction, or at least loss of hearing when crossing the road, can be considered a very serious issue indeed."

I have particular interest in road safety issues as chairman of the all-party road safety group.

The Department for Transport has been concerned enough about road safety problems associated with people using MP3 players to include the issue in its "Think! Road Safety" publicity campaign. It has run television adverts aimed at teenagers to raise awareness of the risks.

Although I have strayed slightly into defence and road safety, which are clearly the preserve of other Departments, I believe that that the experiences of the Defence and Transport Departments are further evidence that the Government need to take a joined-up approach to dealing with the serious consequences of the population's growing widespread use of MP3 players, which are clearly a health hazard in terms of hearing impairment and quality of hearing for millions of our citizens.

I suggest that the Department for Children, Schools and Families also has an important role because youngsters need to be alerted to the serious dangers to their hearing posed by extensive use of MP3 players.

There is no evidence that the industry is taking the matter seriously. I was astonished to read in yesterday's *Colchester Gazette* a report headed "Behave at school and you'll get iPods", which said that pupils at the Clacton Coastal academy will be rewarded for good behaviour with gifts that include iPods. Those running the academy clearly need to be educated about the dangers of giving hearing-destroying prizes to their pupils.

The prevalence of personal music players is unquestionable. Apple has now sold more than 240 million iPods and it seems as though we cannot go anywhere any more without seeing people using personal music players. Personal music players are all around us and they obviously bring an enormous amount of pleasure to people. My concern is that people are listening to these players at sound levels that are damaging their hearing. There is no need just to take my word on that—it is not at all uncommon to find people on public transport listening to music on their personal music players at such a high level that it almost feels as though we are listening to the music. It seems that people are not aware that something they love could be doing serious damage to their hearing.

People losing their hearing as a result of listening to personal music players that are too loud is something that will manifest itself in the future as a major public health problem. That has enormous implications not only in health terms but—as the cost of audiology provision will increase, as will the cost of providing hearing aids and other treatment to those who have unnecessarily lost their hearing as a result of listening to personal music players that are too loud—for Britain's economic prosperity. It is already estimated that hearing loss costs the UK economy £13 billion annually through loss of earnings.

Last September, the European Union's Scientific Committee on Emerging and Newly Identified Health Risks concluded a year-long investigation into whether listening to loud music on personal music players damaged people's hearing. Its conclusion was unequivocal—listening to personal music players at high volume over a sustained period of time could lead to permanent hearing loss. As a result of that report, the European Union's Commissioner for Consumer Affairs announced at an RNID press conference that she had mandated the European Union's standardisation bodies to develop new technical safety standards for personal music players with respect to the risk of hearing loss. It will take some time, but the RNID expects that as a result of the action taken in Europe, within two years all MP3 players will be sold with a volume limit of 80dB—a safe level. It is important to state that this is not over-regulation and that the volume limiter is not the work of a nanny state. Users have the option of overriding the volume limit, but it is hoped that having to take that step will provide real encouragement for people to listen to their personal music players at safe levels.

The work that the European Union has done on this issue is groundbreaking, but this goes beyond regulation. People need to be better educated about the risks that are associated with listening to personal music players at loud volumes. The industry can play a significant role by providing information about how consumers can minimise the risk of damaging their hearing when using personal music players and by providing good-quality headphones with products that do not encourage users to turn up the volume to unsafe levels to drown out background noise.

This is an issue of corporate responsibility. The sea of white headphones that one sees around suggests that many people are not willing to invest in noise-isolating headphones, and instead stick with the headphones that are provided as standard with personal music players. My concern is that those standard headphones are of such low quality that they encourage users to turn the volume up to unsafe levels to hear the music they want to listen to. Poor-quality headphones are posing a real risk to the hearing of many people who use personal music players. If some of the larger companies provided noise-isolating headphones as standard they would steal a march on their competitors and take a real step forward in terms of corporate responsibility. That would make a real contribution to the hearing health of this nation and would ensure that such companies' present customer base did not stop buying future products because they could not hear them.

People need to be aware that listening to loud music, particularly on personal music players at a loud level, poses a risk to their health, but at the moment they are not aware of that. I feel strongly that the Government should take up this issue and launch a public awareness campaign. Just as people are aware that smoking can have serious negative consequences for their health, so they should be aware that listening to personal music players at a high volume can seriously damage their hearing. I therefore invite the Minister to launch a Department of Health-co-ordinated approach across Government to deal with the negative health aspects of MP3s through an awareness campaign based on the RNID's "Don't Lose the Music" campaign. Following discussions with colleagues, the RNID tells me:

"The Department of Health have definitely never run an awareness raising campaign relating to hearing loss and MP3 players."

The series of parliamentary questions from the past three years that I read out earlier tends to confirm that.

[Bob Russell]

It is time that the Department of Health had an awareness campaign. Let tonight mark the launch of such a campaign, so that people will not suffer from hearing problems now or in future.

9.23 pm

The Minister of State, Department of Health (Phil Hope): I congratulate the hon. Member for Colchester (Bob Russell) on securing this important debate. I know that he, as chair of the all-party group for noise reduction, has been a strong and passionate campaigner on this issue for many years, in which time he has drawn the House's attention to the long-term risk that personal music systems pose to hearing. From a health perspective, I share his concern. Preserving people's hearing has been, and continues to be, an important issue for the Government.

I am pleased that our national audiology strategy has reduced waits for audiology tests to an average of two weeks, compared with 26 weeks just three years ago. It is also helping to replace traditional analogue hearing aids with new digital hearing aids as the preferred option for people with hearing problems. I mention those two examples of the transformation of recent years to show that we take this issue very seriously, and rightly so. About one in five adults in England experiences hearing loss, more than a quarter of whom are aged between 16 and 60. We must do all we can to stop preventable hearing loss and to reduce harmful exposure to noise from any source. That is certainly an area in which we can make a difference.

I know from what I see, and increasingly hear, in my own constituency that MP3 players are very widespread, as the hon. Gentleman said. They are ubiquitous. Many people, especially young people, when listening to bands such as Arcane Enigma and Now There Is Only Carnage—two bands from my constituency—have a tendency to crank up the volume to the maximum possible levels.

The hon. Gentleman mentioned his experience on the bus, when he was travelling to the House for his early start today. Anyone travelling on the London underground will recognise the annoyance when a fellow commuter plays music so loudly that the whole carriage shares a tinny rendition of Jimi Hendrix, Bruce Springsteen, or whatever they are playing. As the hon. Gentleman argues, it is not only a nuisance for other travellers, but a long-term threat to the person's hearing.

To add to the hon. Gentleman's examples, a report by Eurosafe—the European Association for Injury Prevention and Safety Promotion—says that up to one in 10 music listeners risk permanent hearing loss if they listen to a personal music player for more than an hour a week at high volumes over a five-year period. We define high volume as more than 89 dB. Eurosafe estimates that up to 10 million consumers across Europe—a significant proportion from this country—are at risk. I think the hon. Gentleman referred to that figure, too.

Stories in the UK already suggest that more young people are ending up at audiologists suffering from tinnitus or hearing loss because of exposure to loud music. One audiologist was quoted as saying that he is seeing

"the sort of damage that in the old days would have come from industrial noise."

The danger is that many young people could find themselves swapping their headphones for hearing aids later in life because of their listening habits.

I remind the House that sound-induced hearing damage is not just about deafness. It can cause difficulties understanding speech in noisy environments, prolonged or permanent tinnitus, and hypersensitivity to loud sounds, all of which can affect a person's life profoundly. The initial damage caused by loud noise is often small, causing slight hearing problems that disappear after a while. It tends to be a slow, creeping process, noticed only after the damage is done.

I welcome the hon. Gentleman's efforts to draw attention to the issue. It is something we should be concerned about and responsive to. That view shared is by the European Commission, which, as the hon. Gentleman rightly said, issued a mandate on personal music players to the European standardisation bodies in 2009. Those bodies are in the process of developing new technical safety standards for manufacturers of MP3s.

The standards have two key requirements: first, that manufacturers set a safe default volume limit on all personal music players and, secondly, that there are adequate warnings—as the hon. Gentleman has called for—for consumers on the risks involved in listening to music at loud volumes. If I might play devil's advocate, I spoke to a group of young people about music earlier today. One guy, Ben, said, "Look, if I want to listen to Bare Groove or Kasabian very loud, then it's my business." A lot of people think that way; they see any form of regulation as a constraint on their ability to choose. They have a point. To some extent, personal choice is important in this debate, and I do not think anyone in the House would want to deny that. However, I agree with the hon. Gentleman that it is also fair to say that when some music players on the market are reaching 115 dB—louder than a pneumatic drill—it ceases to be about personal freedom; it is about consumer protection.

I support the mandate that the hon. Gentleman mentioned. I believe that ANEC—the European consumer group—is right to recommend a default volume limit of 89 dB, with a manual override allowing someone to increase the maximum volume to 100 dB if they so choose. It is also appropriate to consider a lower volume cap for products aimed at children. ANEC is calling for a limit of 80 dB, the level at which the risk of hearing loss becomes negligible. That seems sensible to me, and offers us the best of both worlds. It gives protection for the youngest and most vulnerable, and gives others the freedom to listen to The Who, The Jam or whatever at a higher volume if they choose, but with clear warnings in place if they manually override the default setting.

Although responsibility for regulation sits with the Department of Business, Innovation and Skills—a point the hon. Gentleman made—we support the new standards and will work with the European Commission on them. I also understand from the Commission that manufacturers are showing real willingness to work with the Commission to ensure that their products are safe, and I welcome that responsible attitude.

As the hon. Gentleman suggests, regulation is only one lever for change. The risk of hearing damage depends not just on how loud the noise is, but how long people listen for. Even at 89 dB, prolonged exposure can cause harm, so I agree that educating people and encouraging

them to set their music at safe levels continues to be important, not least because it will be some time before the European mandate comes into full effect.

I recognise the point that the hon. Gentleman makes about the importance of being proactive. He is right to say that we do not believe a Government awareness campaign is appropriate at this stage, but I am keen that we should work with charities such as the RNID and manufacturers to inform people better of the dangers. I am pleased to be able to tell him that I will now ask the officials at the Department to talk to the RNID see if we can work with them on future public awareness work.

The hon. Gentleman mentioned the online campaign, "Don't Lose the Music", which gives people simple advice, such as taking a five-minute break from their MP3 players every hour, or not turning the volume up to drown out noise when they are on the tube. I want to see if we can help the campaign to build on this, as I recognise that too many people do not realise that listening to The Killers or to Dillinja and the valve sound—I have not listened to those myself, but I understand that they are particularly loud—at high volumes can damage their health. There is a big education challenge to meet, but I think we are best served if we can get charities and manufacturers working together, with our support, on better information and advice for consumers.

We are a nation of music lovers. I confess that I am a fan of Elvis Costello, Nils Lofgren and Lou Reed, so I do not want to do anything to dent my or other people's enjoyment of the excellent music that this country has produced for many years. However, I agree with the hon. Gentleman that it is important that people listen to music players safely and without unwittingly—the point that he is making—damaging their hearing. We do not want the fantastic innovation of MP3 players to be spoiled by stories of young people experiencing hearing loss because they are listening to Royworld or Bachman-Turner Overdrive at ear-splitting volumes.

The European mandate is a helpful starting point for protecting the consumer without infringing people's rights. The Government support the mandate. We welcome the way in which manufacturers have responded so far, and we will work with them and the European Commission to protect our ears. We will work with the RNID and others to introduce public awareness campaigns to ensure that we can all continue to enjoy our music in the years ahead.

Bob Russell: May I place on record my appreciation of the Minister's positive response? We have got more out of the debate tonight than I was hoping for, and I am sure that a big step forward has been taken. I sincerely thank him for the positive response.

Phil Hope: I am glad, and I am pleased that the hon. Gentleman sees that the Government are serious. I know that there is more to do. We can work across Government more effectively. I will take away tonight the pledge to work with him and with colleagues in the voluntary sector and others to make sure that we can make a real difference on the issue.

Question put and agreed to.

9.34 pm

House adjourned.

House of Commons

Wednesday 24 March 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Security Situation

1. **Sir Nicholas Winterton** (Macclesfield) (Con): What recent assessment he has made of the level of paramilitary activity by republican groups in Northern Ireland; and if he will make a statement. [322973]

3. **Ann Winterton** (Congleton) (Con): What recent assessment he has made of the security situation in Northern Ireland. [322975]

4. **Mr. Andrew Mackay** (Bracknell) (Con): What recent assessment he has made of the activities of dissident republicans in Northern Ireland. [322976]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): The threat level in Northern Ireland remains at "severe". The Government are not complacent about the threat that dissident republicans continue to pose despite their having little or no community support. The House will wish to know that the Police Service of Northern Ireland continues to disrupt the activity of that small criminal group. So far this year, it has made 51 arrests, brought 12 charges and made three seizures.

Sir Nicholas Winterton: The Northern Ireland Executive, fully supported by the majority of the people of Northern Ireland, not least the Unionist population, have achieved huge success, with major concessions to the nationalist population. Will the Secretary of State confirm to the House that there is now absolutely no need whatever for any paramilitary activity, unless it is by a hard core of people who want to destroy the peace, stability and economic success of Northern Ireland?

Mr. Woodward: The House will know of the historic vote that took place in Stormont on 9 March—nearly all parties in the cross-party community vote were in support. I simply say to the hon. Gentleman that there never has been a need for any paramilitary activity: not then, not now, not in future. As for concessions, we need to understand this as a matter not of concessions, but of power sharing. Both sides may have compromised, but they have done so for the good of everybody in Northern Ireland.

Ann Winterton: The new Chief Constable is supported—for the first time—by all parties in Northern Ireland, and yet the police's reputation for effectiveness in combating crime and terrorism has never actually been lower. Why is that?

Mr. Woodward: I am afraid that I agree with only one part of the hon. Lady's question, which is to recognise that the Chief Constable was appointed to his job with unanimous support; I entirely disagree with everything else she says. Confidence in policing in Northern Ireland is at record levels and will stay at record levels, and it continues to enjoy a support of which most hon. Members in this House would be extremely envious. The PSNI has brought down crime and been extremely successful in tackling even the activities of some of the most hated criminals in the community, and I hope she recognises that.

Mr. Mackay: Will the Secretary of State confirm that there is no hiding place for violent republican dissidents across the border, and that co-operation has never been better, particularly under the new Garda commissioner?

Mr. Woodward: I put on record that the levels of co-operation in both Northern Ireland and the Republic have never been greater or better. That is true of every aspect of dealing with and preventing crime, none more so than those areas of crimes associated with paramilitary activity, and especially the investigations that are taking place into the recent murders of soldiers and a police constable.

John Robertson (Glasgow, North-West) (Lab): Does my right hon. Friend agree that it was unfortunate that the Ulster Unionist party could not come on board in what was happening in the devolution process, and that perhaps, the Conservatives might have done a bit more to try and persuade it to come on board?

Mr. Woodward: I think I will not take the temptation to make a political point, because I actually want to thank the Conservatives for their support. Their alliance with the UUP is of course a matter for them, as is the question of whether they can ultimately influence that party. I regret the fact that the UUP did not vote for the Hillsborough castle agreement and the devolution of policing and justice.

Dr. William McCrea (South Antrim) (DUP): Dissident republicans pose a serious threat to the people of Northern Ireland. On Saturday last, a pipe bomb was found in a public place, outside the police station in Magherafelt, which is just a few yards from my home. Also, members and ex-members of the PSNI in my constituency and a number of others are under threat from dissident republicans. What active measures are the Government going to take to ensure that those organisations are infiltrated, brought to justice and defeated?

Mr. Woodward: The hon. Gentleman knows a great deal about the impact of that kind of activity, not only as a very fine and outstanding constituency Member of Parliament, but as a person and as a family member, so I say this with huge respect for, and understanding of, where the question is coming from. We will do everything to support the Chief Constable and the PSNI to tackle both those who have committed crime and those who intend to commit crime. We will work as closely as

possible with the First Minister, the Deputy First Minister, the Executive and the institutions of devolved Government to bring those people to justice.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Obviously it is very disappointing that the Ulster Unionists in the Assembly did not support the cross-community vote. Will my right hon. Friend continue to work on a cross-party basis in the hope that the Ulster Unionists will be persuaded to back this in future?

Mr. Woodward: Although the leadership of the Ulster Unionist party and its Assembly Members did not vote for this on 9 March, it was perfectly clear from public opinion and the confidence that all political parties had established in Northern Ireland that that vote had the support of all communities in Northern Ireland, including those who would identify themselves as supporters of the Ulster Unionist party. Unfortunately, its leadership did not reflect that on the day.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): The Secretary of State's assessment of the level of risk is clearly sensible and realistic. It brings with it the potential for future challenges for the PSNI in dealing with that risk if it becomes reality. Will he confirm that he will use his good offices to ensure access to the Treasury for contingency funding should the necessity arise?

Mr. Woodward: I thank the hon. Gentleman for his support in this. He will know that my right hon. Friend the Prime Minister made an additional £30 million of funding available from the reserve for the current financial year for the PSNI. My right hon. Friend has already committed nearly £40 million of additional funding, which will be available to the Chief Constable to deal with the threat posed by dissidents. This Government will stand with the people of Northern Ireland and with the devolved Government.

Sir Patrick Cormack (South Staffordshire) (Con): As the Secretary of State knows, the Select Committee on Northern Ireland Affairs strongly supports the devolution of policing and justice. Is he also aware that we attach the highest possible importance to the operational independence of the Chief Constable in tackling dissident republicans and in dealing with all his other duties?

Mr. Woodward: The operational independence of the Chief Constable is one of the principal outcomes and a huge success of the Patten reforms. It has enabled enormous confidence to be established across all communities in Northern Ireland. That, of course, has been the case and after devolution on 12 April it will remain so.

Mr. Laurence Robertson (Tewkesbury) (Con): A few days ago, an attempt was made to murder police officers in Newry after they were lured there by what is reported to have been a hoax bomb. Is the Secretary of State satisfied that there are sufficient intelligence sources to enable the police to counter what is becoming a very worrying and increasingly dangerous terrorist threat?

Mr. Woodward: Let us remember that those who wish to commit these crimes are people who, regrettably, refuse to accept the political settlement that has now been agreed. The Conservative party, along with other parties in this House, has helped to ensure that the early devolution of policing and justice has taken place. Let us remember that the report by the Independent Monitoring Commission said that that would be the "potent intervention" in dealing with dissident republicans.

Presbyterian Mutual Society

2. **Mr. Philip Dunne** (Ludlow) (Con): What recent discussions he has had with the Chancellor of the Exchequer on the effect on savers in Northern Ireland of the collapse of the Presbyterian mutual society. [322974]

The Minister of State, Northern Ireland Office (Paul Goggins): The Chief Secretary to the Treasury and my right hon. Friend the Secretary of State are both members of the ministerial working group established by the Prime Minister. They, along with Ministers from the Northern Ireland Executive, are in regular contact in an effort to assist members of the PMS whose investments were affected by the society's entry into administration.

Mr. Dunne: The Financial Services Authority warned of a problem with the PMS almost a year ago, the Prime Minister set up his working group last summer, the Treasury Committee issued a scathing report this February saying that nothing would be resolved unless a political lead was given and this morning the relevant Minister in another place gave no lead whatsoever and no clue as to what might happen. Is this not a classic example of a Government who are incapable of taking a decision and who are letting down 100,000 savers in Northern Ireland?

Paul Goggins: No, it is not, because the Prime Minister established the working group and I hope that it will very shortly be able to consider a proposition—a paper—from the Executive in Northern Ireland, which will put forward a range of options. The commercial option is, of course, one that we would all wish to see taken, if it is possible to do so. The Executive have also been working on specific ideas. We need to hear those ideas, consider them and look for solutions.

Dr. Alasdair McDonnell (Belfast, South) (SDLP): Does the Minister agree that regardless of the legal and commercial niceties, there is a moral obligation on us all to help relieve the serious distress, both financial and emotional, that genuine savers in the PMS are suffering? These people invested in good faith and we have a moral responsibility to return that good faith or give them some return on it.

Paul Goggins: I agree that there is a sense of moral obligation here—the Prime Minister has said that—but none the less we have to find a solution that is hard-headed. We need a solution that will actually work in the interests of those who genuinely and in good faith invested their money in the PMS.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): The Minister will be aware of the hardships faced by many PMS savers, who become more concerned as time goes on. Will he and the Secretary of State use their good offices to ensure that the Treasury co-operates fully with the Northern Ireland Executive to bring forward a solution and a package that will bring real assistance to PMS savers as soon as possible, so that their plight can be resolved?

Paul Goggins: I agree strongly with the right hon. Gentleman, who knows, as I do, that many, particularly older, investors, have lost money and are suffering financial hardship as a result. We all have enormous sympathy with them, but what we need more than sympathy is a solution. Yes, we might need to consider a hardship fund in the end, but it would be better to find a sustainable solution that would work in the long term. A commercial solution would be best, but ideas will be coming from the Executive shortly that are worthy of consideration. We should work together to see whether a sustainable solution can be found.

Lady Hermon (North Down) (UUP): The Minister of State and the Secretary of State have been excellent Ministers for Northern Ireland, and I appreciate their efforts on many fronts. Will the Minister of State give a clear assurance to PMS savers, not just in my constituency but across Northern Ireland, that the Government will find a solution, before the election, to the situation in which those people find themselves through no fault of their own? Will he give a clear assurance that there will be a solution before the general election?

Paul Goggins: I am very grateful to the hon. Lady for her comments about me and my right hon. Friend. I give her an absolute assurance that for every day of this Parliament that remains, we will continue to search for a solution that will work for those investors and that will restore confidence and, I hope, some money to them. In the end, it is their hard-earned money that has been lost, and we need a hard-headed solution that will work in practice.

Mr. Owen Paterson (North Shropshire) (Con): Last June, the Prime Minister announced a review group to look at the plight of those involved in the PMS, and promised that it would report by September. The Prime Minister intervened to rescue the Dunfermline building society, and boasted to the Labour party conference that

"not one British saver has lost a single penny",

but it was his guarantee to banks that triggered the run on the PMS. What is the reason for yet another broken promise from this bankrupt Prime Minister?

Paul Goggins: The hon. Gentleman may be more interested in process than in solutions; but my right hon. Friend and I are interested in finding solutions. It is a completely false comparison, as anyone who has studied this knows, to compare the situation of the PMS with that of the Dunfermline building society. That financial institution was regulated by the FSA, whereas with the PMS we are talking about an industrial and provident society. I hope that, even at this stage, he will join us in the search for a solution rather than dwelling on process.

Mr. Paterson: The Treasury Committee, with a Labour majority, said it was

"unacceptable and farcical that both the UK Government and the Northern Ireland Executive...have failed to act."

In Northern Ireland questions last June, the Secretary of State promised me further talks,

"not with empty slogans and hollow promises but with real action—and not by doing nothing." [*Official Report*, 3 June 2009; Vol. 493, c. 261.]

But here we are, nine months later, and nothing has happened. We cannot go on like this. Is it not time for change and for him to make way for a Secretary of State who will stick up for the people of Northern Ireland? *[Interruption.]*

Mr. Speaker: Order. I want to hear the answer. There is far too much noise and there are far too many private conversations taking place in the Chamber.

Paul Goggins: I was trying, before, to give the hon. Gentleman a fairly basic lesson in the economics of this issue, but we will shortly be getting an economic master-class from others at this Dispatch Box. I encourage the hon. Gentleman to listen very carefully, because he might just learn something for a change. The position is absolutely clear: a considerable amount of work has been done, even in the recent past, by Members of the Executive in Northern Ireland. They are represented on the working group that has been convened by the Prime Minister, and my right hon. Friend the Chief Secretary also belongs to that group. We want to find solutions—

Mr. Paterson: When?

Paul Goggins: In considering the paper coming from the Executive, that will be very shortly indeed.

National Security Protocols

5. **Mr. Eddie McGrady** (South Down) (SDLP): What recent discussions he has had with the Northern Ireland Executive on the national security protocols to be used after the devolution of policing and justice matters. [322977]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): I have discussed the national security protocol with a range of individuals and organisations in Northern Ireland. The current text addresses a number of concerns raised in those discussions.

Mr. McGrady: I thank the Secretary of State for his reply. The intelligence services withheld information from the investigation into the tragedy of the Omagh bombing, and allegations have recently been made about the intelligence services' role in the death of Kieran Doherty in Derry. What further discussions will he have with the Northern Ireland Executive to prevent such things from happening and to facilitate future investigations? He told the Northern Ireland Affairs Committee that it would become more likely that the intelligence services would co-operate, but more likely is not good enough.

Mr. Woodward: I am sure that the House will want to pay tribute to the hon. Gentleman, who has been an assiduous Member of Parliament for 23 years and was a founding member of his party. We wish him well in the future.

I am of course considering the Select Committee's report, but I remind the House that Sir Peter Gibson published his report last year and that after he examined the information available on the day, he concluded that

"to the extent that any relevant intelligence was derived from interception, it was shared with RUC...and Special Branch South promptly and fully".

Mr. Peter Robinson (Belfast, East) (DUP): I join the Secretary of State in paying tribute to the hon. Member for South Down (Mr. McGrady), who has always been an assiduous and hard-working Member of Parliament.

Does the Secretary of State recall that, alongside discussions with the Executive about the national security protocols, there was consideration of finance and other related matters, including the transfer of four military sites? Will he use his influence to ensure that the promise given by the Prime Minister is not broken by the Ministry of Defence, which is trying to hold on to elements of those sites?

Mr. Woodward: The right hon. Gentleman knows that the bases are being transferred to the Executive as part of the generous devolution package that my right hon. Friend the Prime Minister and I agreed at Hillsborough castle. There are, of course, outstanding points of detail in relation to those bases, but I am confident that they will be solved to everyone's satisfaction. *[Interruption.]*

Mr. Speaker: Order. I appeal to the House to settle down. We are discussing extremely important matters and I think that the people of Northern Ireland deserve a bit better.

Fuel Smuggling

6. **Mr. Andrew Turner** (Isle of Wight) (Con): What recent discussions he has had with the Chancellor of the Exchequer on steps to tackle fuel smuggling in Northern Ireland. [322978]

The Minister of State, Northern Ireland Office (Paul Goggins): Tackling fuel crime is a key Government priority. Law enforcement agencies in the Organised Crime Task Force are working to disrupt fuel fraudsters, bring them to court and confiscate their criminal assets.

Mr. Turner: Will the Minister tell the House who is responsible for investigating smuggling, which involves a loss to the Exchequer of £200 million a year? Is it London or Belfast?

Paul Goggins: The Organised Crime Task Force in Northern Ireland is an excellent initiative that brings all law enforcement agencies together—Her Majesty's Revenue and Customs, the Serious Organised Crime Agency and the Police Service of Northern Ireland. It is increasingly important that they work with their counterparts from the Republic of Ireland—the Criminal Assets Bureau and the Revenue Commissioners—because it is by working together that we can best bring to justice the people who perpetrate these dreadful crimes.

Mr. Lindsay Hoyle (Chorley) (Lab): Does my right hon. Friend agree that the best way to stop the smuggling would be to reduce the price of fuel in the UK and not introduce the 3p levy?

Paul Goggins: My hon. Friend makes a late bid with regard to the business that will come later. On reducing opportunities for fuel smuggling, it is important that the price of fuel is now virtually the same in the Republic of Ireland and Northern Ireland. That reduces the incentive for fuel smuggling, but it encourages fraudsters to consider other kinds of fuel fraud, especially fuel laundering, which is why the Organised Crime Task Force must continue to pursue the issue with great vigour.

Decommissioning

7. **David Simpson** (Upper Bann) (DUP): When he expects to receive the final report of the Independent International Commission on Decommissioning. [322979]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): I placed in the Library of the House on 3 March the most recent report from the IICD, which recorded full and final acts of decommissioning. I expect a final report, including a report on armaments, to be published later in the year.

David Simpson: Can the Secretary of State confirm that within the final report, there will be a full inventory of the weapons that were decommissioned, as his predecessor assured us would happen?

Mr. Woodward: The hon. Gentleman will know that the IICD was set up by both the British Government and the Irish Government. The arrangements to bring to an end decommissioning in the Republic of Ireland have now been concluded. We are in discussions with the Irish Government and with the IICD about the scope of the IICD's final report, which will contain a report on armaments.

Mark Durkan (Foyle) (SDLP): The Secretary of State rightly referred to the fact that both the British and Irish Governments set up the IICD. They did so arising out of agreements and negotiations in the talks leading to the Good Friday agreement. Does he recognise that when that commission was being set up and whenever decommissioning was being pursued, the main Unionist party insisted that decommissioning was not intended to happen as part of the agreement and was a fiction? Will he therefore acknowledge that the progress that has been made proves that those of us who committed to the agreement and to decommissioning were right and were honest?

Mr. Woodward: In the course of the peace process, political parties in Northern Ireland have taken positions which in the end will, I hope, reflect a unanimous position that all the work that has been done to achieve peace and stability in Northern Ireland has succeeded. I hope that all political parties—including, as I am sure it does, the Democratic Unionist party—support the work of the IICD.

Per Capita Expenditure

8. **Mr. Peter Bone** (Wellingborough) (Con): What recent discussions he has had with the Chancellor of the Exchequer on trends in per capita expenditure in Northern Ireland on matters for which he is responsible. [322980]

The Minister of State, Northern Ireland Office (Paul Goggins): My right hon. Friend the Secretary of State for Northern Ireland has had no recent discussions with the Chancellor of the Exchequer on these matters.

Mr. Bone: The public expenditure per head of population in Northern Ireland is now more than £10,000, and more than a quarter higher than the UK average. As

things have got better in Northern Ireland, one would have thought that trend would go down. Does the Minister agree, or does he expect to see it at a constant level?

Paul Goggins: The expenditure for which my right hon. Friend the Secretary of State is responsible relates now only to policing and criminal justice matters, and they will shortly be devolved. It is true that the number of police officers per head of population in Northern Ireland is higher than it would be in the hon. Gentleman's constituency or mine, but that is perfectly understandable when one considers the troubles of the past 30-odd years and the prevailing problem and challenge from dissident republicans. *[Interruption.]*

Mr. Nigel Dodds (Belfast, North) (DUP) *rose—*

Mr. Speaker: Order. The House must come to order. I want to hear the question from Mr. Nigel Dodds.

Mr. Dodds: Is it not right that, after more than 35 years of the most terrible terrorist campaign, the level of expenditure on security in Northern Ireland was rightly spent to defend democracy and the Union with the rest of the United Kingdom? Will the Minister give a commitment that in the event that at any point in the future some kind of civil emergency arises, the money will be available to protect and defend the ordinary people of Northern Ireland against terrorism?

Paul Goggins: Both in the current financial year and for the next financial year a considerable amount of additional money will be made available to the Chief Constable to deal with the security threat. It is very much the judgment of the Chief Constable that we listen to. We will listen to his assessment and respond accordingly.

Saville Inquiry

9. **Mr. Andrew Robathan** (Blaby) (Con): When he next expects the final report from the Saville inquiry to be published; and if he will make a statement. [322981]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): The House will be pleased to hear that finally, after more than a decade, Lord Saville will, this afternoon, I believe, make available to my officials his final report and inquiry, so that they may begin the checking process on article 2 obligations and national security that I am obliged to carry out as Secretary of State.

Mr. Robathan: What took place on Bloody Sunday was a tragedy, whoever was to blame. It took place nearly 40 years ago. We have spent £200 million of taxpayers' money and 12 years looking at the issues, probably just to stir up old enmities and reopen old sores. Does the Secretary of State think that it is all worth doing?

Mr. Woodward: The hon. Gentleman is right to record the fact that the report has cost £200 million. I disagree with him about the value of the Saville inquiry. Without the Saville inquiry, there would have been no stable peace process. Because of the inquiry, it has been possible to establish the bona fides for a peace process to succeed, and the whole House will be grateful for that success.

Mr. Gregory Campbell (East Londonderry) (DUP): Given that almost £200 million has been spent, with no definitive outcome yet in sight, does the Secretary of State agree that now is the time to call an end to further wasteful inquiries and deal with genuine innocent victims for the future rather than trying to remember the past?

Mr. Woodward: The hon. Gentleman need take no lessons, certainly from me, in being reminded that several thousand people lost their lives in the course of the troubles. We cannot forget the past; I am sure that he shares that view. The Saville inquiry will help us to produce the truth about the events of that day. We will learn from this inquiry. However, we do need a process to enable Northern Ireland to reconcile itself with its past.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [323602] **Mike Penning** (Hemel Hempstead) (Con): If he will list his official engagements for Wednesday 24 March.

The Prime Minister (Mr. Gordon Brown): I am sure that the whole House will join me in remembering the life and achievements of Serjeant Steven Campbell from 3rd Battalion the Rifles, who died in Afghanistan earlier this week. We pay tribute to his energetic, brave and dedicated service. His infectious enthusiasm and his sincere patriotism will be sorely missed. The thoughts of everybody in this House, I know, are with his family, friends and colleagues.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Mike Penning: I join the Prime Minister in paying tribute to our armed forces, especially those who have lost their lives this week. Our thoughts and prayers are not only with those who have lost their lives, and their families and loved ones, but those who have been injured.

Last week the Prime Minister admitted that he had misled the Chilcot inquiry about the funding for the armed forces. When did he realise that he had misled—before or after he gave evidence?

The Prime Minister: As I said last week, when I was preparing for last week's Question Time I was shown the transcript of what I had said in the Chilcot inquiry, and I decided to make it absolutely clear, on the first occasion, to the House and then write to Sir John Chilcot. But I repeat: defence spending has risen by 12 per cent. in real terms. Every request for funding by the Ministry of Defence and the commanders has been met by the Treasury for the operations that have been conducted. I have to say that there was a 30 per cent. real-terms cut in defence expenditure under the last years of the Tories.

Kali Mountford (Colne Valley) (Lab): May I pay my own personal tribute to all the officers we have lost and give my condolences to their families? I am sure we miss them all.

May I ask the Prime Minister why, in his view, fairness should be the hallmark of a good Government?

The Prime Minister: I appreciate the importance that my hon. Friend and her constituents attach to the fairness measures that we have introduced: the child tax credit, which has helped 6 million families in this country; the pension credit, which is helping 2 million pensioners to escape poverty in this country; educational maintenance allowances, which are helping half a million children to go to school; and a guarantee that young people under 24 will receive help and will not be unemployed but will have training and work. These are the measures that have been put forward by my right hon. Friend the Chancellor; they could never have been put forward by the shadow Chancellor.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in paying tribute to Serjeant Steven Campbell, who died in Helmand on Monday. We are paying a high price in Afghanistan, and our troops and their families need to know that they have all our support. Our prayers and thoughts are with those who will not come home.

This is likely to be the second last Prime Minister's questions before the general election, and clearly the Chancellor's statement is the main event of the day, so this provides an opportunity to clear up a number of different issues. May I start with a simple one? It is Budget day, and there is a picket line outside the Treasury, so will the Prime Minister confirm that on this occasion he would like people to cross it and go to work?

The Prime Minister: Let me first congratulate the right hon. Gentleman and his wife on the good news about their baby. Secondly, I thank him for getting near again to asking a question about the economy. Of course everybody is going to work here, and we will continue to work for a Labour Government and for jobs.

Mr. Cameron: I am very grateful to the Prime Minister for his congratulations. I have had a lot of texts and messages from many hon. Members, most of them focusing on how to find the time for these things, but I am very grateful none the less.

It was a very interesting answer from the Prime Minister. Last week he would not give any support to British Airways workers, but apparently the First Lord of the Treasury is content for his own work force to go to work.

In this spirit of clearing up a few issues, one of the things the Treasury is working on concerns the Prime Minister's disastrous decision to sell gold at rock-bottom prices, losing—*[Interruption.]* It lost the country £6 billion. The Treasury has now lost its four-year battle against the Information Commissioner to keep the information about that decision secret, so will the Prime Minister now confirm that those documents will be published in full, with no redactions, before the general election?

The Prime Minister: I am very happy for any document to be published on that matter, but the right hon. Gentleman must do a bit better than that if he is talking about the future. We are lapsing into these issues, so let me just remind him that we have taken people out of unemployment and into work, that we have helped thousands of small businesses and that we have been helping people avoid the loss of their homes. The Conservatives have nothing to say about the present and the future. It is about time he started to think about the policies that work for the future.

Mr. Cameron: If the Prime Minister is so relaxed about this information being published, can he tell us why he spent four years fighting it?

The Prime Minister: It is a matter for the Information Commissioner and the Treasury. [Hon. Members: "Oh!"] I am happy if the Information Commissioner wishes to publish documents, but is the right hon. Gentleman going to come forward with any serious policy about the future of this country? Has he got anything serious to offer this country for the future? Has he got anything to say to the unemployed of this country, or to mortgage holders or businesses? The person who will be talking about the future is the Chancellor. The shadow Chancellor has nothing to offer.

Mr. Cameron: So really that is it—the Treasury always wanted this information published, and it was only the Information Commissioner stopping it. Once again, this Prime Minister takes the whole country for fools.

Let us try another one. The Information Commissioner has also ordered the Department for Work and Pensions to release information on the Prime Minister's disastrous raid on every pension fund in the country. The Information Commissioner ruled in November that that should be published and the Department has appealed against it. Now that we hear the Government are not interested in these appeals, will the Prime Minister withdraw that appeal and make sure the information is published?

The Prime Minister: We had a debate—*[Interruption.]* The shadow Chancellor may laugh, but he was the subject of the debate in this House on these very issues and he could not sustain his case about the dividend tax credit. We made the right decision for British industry and the right decision to protect British pensioners. It is the Conservative party that has let pensioners down and would do so in future by opposing many of the measures that we have taken. I am happy for everything in my record to be judged. Now let us start with the Leader of the Opposition—will he tell us what happened over Lord Ashcroft?

Mr. Cameron: It is a simple question. If the Prime Minister is happy for this information to be published, will he withdraw the appeal and have it published—yes or no?

The Prime Minister: We had this debate on pensions. [Hon. Members: "Answer."] Yes, we had this debate on pensions in this House of Commons. The shadow Chancellor tried to pursue the case against our policy to withdraw dividend tax credits. He could not even make a sensible argument about that at the time. We won this debate on dividend tax credits because our policy was the right policy, and it continues to be so.

Mr. Cameron: On this, the second last Prime Minister's questions, we have just had what we have had all along from this Prime Minister: no answers, endless cover-ups, not giving the information, not answering the question and dithering on all the important decisions. How much longer are we going to have to wait until we get rid of this useless bunch of Ministers? The cab meter's ticking. Come on, tell us when the election is, then.

The Prime Minister: The right hon. Gentleman has been wrong on every single issue about the economy. When the people look at what the Conservative party proposed, they will see that it was wrong on Northern Rock, wrong on the restructuring of the banks, wrong on help for the unemployed, wrong on help for mortgage holders, wrong on help for small businesses and that, when it comes to right or wrong, it was wrong on Lord Ashcroft. Wrong, wrong, wrong—that is the Conservative party. *[Interruption.]*

Mr. Speaker: Order. Government Back Benchers in particular must calm down. I am sure that they want to hear Fraser Kemp.

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): Thank you, Mr. Speaker. Six days ago it was announced that the world's first mass-produced, affordable zero-emission car would be made in Wearside by Nissan, securing and creating thousands of highly skilled manufacturing jobs. Will the Prime Minister ensure that the investment that has been committed to provide the infrastructure for charging points and to support the British motorist who wants to switch to zero-emission cars will be maintained and improved in the coming years, so that the UK can take its rightful place as the world leader in zero carbon emissions?

The Prime Minister: I thank my hon. Friend for what he has done and what Nissan has done to create in the United Kingdom the first mass-marketed electric car. That will mean not only safeguarding and creating jobs, but 50,000 vehicles a year being produced in the United Kingdom.

The one reason why it was possible for Nissan to make that investment was that Government support was available for the development of the new technologies that it is making. Unfortunately, the Conservatives' industry policy would withdraw support from low-carbon areas. We are the party of jobs and building industry for the future; they are the party of unemployment.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I would obviously like to add my own expressions of sympathy and condolence to the family and friends of Serjeant Steven Campbell from 3rd Battalion the Rifles, who tragically died this week after serving so selflessly and professionally in Afghanistan.

Despite all the news about lobbying in Parliament, the issue has not yet been raised today. That might be because when we put forward proposals to restrict lobbying in Parliament, Labour and the Conservatives both blocked us; when we tried to give people the right to sack corrupt MPs, they both blocked us; and when we wanted to clean up party funding, they both blocked us. Is not the truth that this Parliament will go down as the most corrupt in living memory because they both blocked reform?

The Prime Minister: We have proposed and will implement a compulsory register of lobbyists. I have also made it clear that anybody who goes before the Advisory Committee on Business Appointments, as a former Minister, is compelled to take the advice of that committee. In future, Ministers will sign in advance a contract stating that that is exactly what they will do. We have taken action to make the system more transparent. We cannot say anything other than that the behaviour of the Members who were dealt with in that programme was unacceptable, and I believe that, because such behaviour diminishes us all, the action that we are taking is necessary for the transparency that the public want.

Mr. Clegg: The Prime Minister has had 13 years to clean this up. Let us look at his record. Last summer, we put forward an amendment to introduce recall elections; Labour voted against it and the Conservatives did not turn up. Two days later, on our proposal to cap donations, they both voted against it. On our attempt in the Companies Bill to restrict lobbying, Labour voted against us and the Conservatives did not even turn up. Is this not just a grubby stitch-up between two old parties that basically want to keep things exactly the way they are?

The Prime Minister: I rather think that the right hon. Gentleman prepared his second question before he had heard the answer to the first.

Mr. Clegg: No.

The Prime Minister: Oh, he did not. I made it absolutely clear to the right hon. Gentleman that any action that is necessary to secure transparency and proper accountability will be taken. That is why there will be a compulsory register of lobbyists; that is why every action that Ministers or former Ministers take in relation to business appointments will be transparent; and, if I may say so, I think that there is a need for humility on all sides of this House.

Nigel Griffiths (Edinburgh, South) (Lab): Will the Prime Minister confirm that, at 8 per cent., the unemployment rate in the United Kingdom is far below the rate in the United States, of 9.7 per cent., in France, of 10.1 per cent., and in Spain, of 18.8 per cent? Will he assure the House that he will never adopt the policies of the Conservative party, which thinks that unemployment is a price worth paying?

The Prime Minister: Unemployment is never a price worth paying. I have to say to the House that the claimant count for unemployment today is half what it was in the recession of the 1990s. I should also say that unemployment kept rising for five years after the recession ended in the 1980s. Unemployment is now falling as a result of the action that we have taken, and whatever happens to employment and unemployment in the next few months, we have saved half a million jobs that would otherwise have been lost.

Q2. [323603] **Mark Pritchard** (The Wrekin) (Con): Given the need to restore faith in politics, could the Prime Minister assure the House that no Labour MP caught up in the lobbygate scandal will be given a peerage?

The Prime Minister: Talk about an own goal! I say to the Conservatives that the standards that will be applied to future membership of the House of Lords will be a lot higher than those applied to Lord Ashcroft.

Mr. Speaker: Helen Southworth. *[Interruption.]* I am sure the House will want to hear Helen Southworth.

Helen Southworth (Warrington, South) (Lab): Thank you, Mr. Speaker. The taskforce on missing people has presented its recommendations. Will my right hon. Friend the Prime Minister ensure that they are acted on to protect children at risk?

The Prime Minister: No one has done more to stand up for the needs and requirements of missing children than my hon. Friend. She deserves the gratitude of the whole House for everything that she has done. I received, this week, the report of the taskforce on missing people. The Government fully accept all the report's recommendations, which set out a plan of action to improve how agencies will respond when young people go missing and provide the support that should be available to families. We are committed, and I thank her for how she has prosecuted this issue while she has been in the House. We are committed to taking the recommendations forward.

Q3. [323604] **Mr. Graham Brady** (Altrincham and Sale, West) (Con): Which would the Prime Minister rather be remembered for—doubling council tax or destroying people's pensions?

The Prime Minister: The next election.

Mr. Speaker: Patrick Hall. *[Interruption.]* Order. I call Mr. Patrick Hall.

Patrick Hall (Bedford) (Lab): I would like to inform the Prime Minister that there are now nine Sure Start children's centres in Bedford and Kempston, delivering high-quality, much respected and popular support to a wide range of families. Does my right hon. Friend agree that to cut back on the universal service so carefully built up over the past decade would be a tragic betrayal of future generations?

The Prime Minister: We have achieved our target of 3,500 Sure Start children's centres, which are now reaching 2.7 million children under five and their families. I understand that the view of the Conservative party is that the Sure Start centres should be restored to their original purpose, which only covered a minority of children. The Sure Start children's centres are now vital parts of every single community, and nobody should tamper with the advances made in helping children under five.

Q4. [323605] **Mr. Brooks Newmark** (Braintree) (Con): The Prime Minister has now had a week to think about it: will he now urge all British Airways staff to go back to work this weekend?

The Prime Minister: Yes, and I have done so, and I have done so consistently. The hon. Gentleman— *[Interruption.]* If the Conservatives want to turn an industrial dispute into a political provocation, they are going the right way about it. Any party that wishes to hold government in this country should want to see an industrial relations dispute stopped and arbitration and negotiations take place—it should want to bring this to a conclusion. After all, that is the view of its trade union envoy, who said that it was the business of the Conservatives to help people get back into work.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): A ban on mephedrone will come too late for my constituent, Jordan Kiltie, who died last week at the age of 19, but will the Prime Minister give us an assurance that, when the Advisory Council on the Misuse of Drugs reports on 29 March, he will act immediately to ban such legal highs?

The Prime Minister: I am very concerned about what my hon. Friend has told me, and I send my sincere condolences to Jordan's family and to their friends. We are committed to preventing young people from starting to take drugs. The advice is clear that, just because a substance is legal, that does not make it safe. We are concerned specifically about the harms of mephedrone, and the Advisory Council on the Misuse of Drugs is considering that and similar compounds as an absolute priority. We will receive its advice on 29 March, and subject to that advice we will take immediate action. We are determined to act to prevent this evil from hurting the young people of our country.

Q5. [323606] **Mr. Gregory Campbell** (East Londonderry) (DUP): Can the Prime Minister tell us when the more than 40,000 policyholders in Equitable Life—including many in Northern Ireland—who have waited many years for a satisfactory outcome are likely to be informed of a positive result? Thousands of such policyholders have passed away since the company began to decline business 10 years ago.

The Prime Minister: I understand the hon. Gentleman's question and the concern that his constituents and others have expressed. The Government expect Sir John Chadwick to submit his final report in May this year, and we have undertaken to provide a response within 14 days of its publication.

Sir Stuart Bell (Middlesbrough) (Lab): Can the Prime Minister confirm that, following Total SA's announcement that it is to develop the west of Shetland gasfields of Laggan and Tormore, involving development investment of £2.5 billion, it has placed an order with Corus Tubes to manufacture the gas pipelines at Hartlepool, involving an investment of £200 million? Is that not good news for Teesside and for the country?

The Prime Minister: That is indeed good news for the country; it is worth around 2,000 jobs in the country as a whole. It is because our recent tax changes have been able to support the development of remote deep-water fields that the project announced by Total can go forward. It has a development cost of £2.5 billion, and Total has awarded a contract worth £200 million to Corus Tubes to manufacture the gas pipelines in Hartlepool. That means jobs in Hartlepool, jobs in the north-east and jobs in Scotland. It means 2,000 jobs in the UK as a whole, and that is because a Government have been prepared to support with tax reliefs the development of North sea oil and gas.

Q6. [323607] **Bob Spink** (Castle Point) (Ind): If the Prime Minister finds himself in Essex during April, as I suspect he might, will he kindly drop in on Castle Point to meet the wonderful people at Age Concern? They will thank him for deciding to re-index the basic state pension to earnings, but will he get on and do that quickly?

The Prime Minister: I am grateful for the hon. Gentleman's invitation to visit him and to visit Essex. I am aware that he is a long-standing campaigner on these issues, and I pay tribute to the work that has been carried out by Age Concern. It is right that, after the Turner report, we made recommendations about linking pensions to earnings. The hon. Gentleman will also recognise, however, that a lot of the work that helps pensioners is done by local councils, and I am afraid that some Conservative councils are letting down the elderly.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): The eminent economist Professor David Blanchflower has predicted that if the various measures that are now in place to support people in jobs were to be withdrawn, unemployment could rise towards 5 million. What does my right hon. Friend think the effect would be if a policy of cuts were to be adopted as a matter of principle? How would that affect the recovery in our economy?

The Prime Minister: Every major country has made a choice about whether to continue the support for the economy that is necessary to ensure a recovery. Every major country in Europe, as well as America and all the major countries in Asia, has made the choice to support the economy so that we can avoid unemployment rising to the levels of the 1980s and 1990s recessions. Only one party seems to stand out against that by wanting to cut now, perhaps at the expense of causing a double-dip recession, and that is the Conservative party.

Mental Health Units

Q7. [323608] **Dr. Julian Lewis** (New Forest, East) (Con): What the Government's policy is on the provision of modern in-patient mental health units.

The Prime Minister: High-quality in-patient care is one component of acute mental health services, supported by appropriate alternatives to admission. The Government paper "New Horizons", which the hon. Gentleman will know of, published in December 2009, set out a cross-Government programme of action to improve the mental well-being of people in England and to drive up the quality of mental health care.

Dr. Lewis: Praise where it is due: under Blair's Britain, several first-class state-of-the-art mental health in-patient units were opened in or near my constituency. Under Brown's Britain, one of them has just closed and another is under threat. Instead of in-patient facilities, we are promised

"a shared dashboard of clinical performance quality indicators".

Is the Prime Minister happy to see front-line services replaced by management gobbledegook?

The Prime Minister: I know that the hon. Gentleman will want to be fair, and the World Health Organisation says that we are the best when it comes to the provision of mental health care. We obviously want to do better every time. Since 2001, there has been a 50 per cent. increase in real-terms investment in mental health. It is wrong to say that we are underfunding mental health. We are trying to do what we can and we will continue to do what we can. The hon. Gentleman should be fair in recognising that.

Lynne Jones (Birmingham, Selly Oak) (Lab): Main House in Birmingham has been providing a much valued residential therapeutic service for people with a personality disorder since being nationally commissioned more than 10 years ago. That service has just closed because when national commissioning ended, Ministers' intentions that commissioning should be picked up regionally were not undertaken by the strategic health authority. Will the Prime Minister look into what went wrong, with a view to reopening the service as soon as possible?

The Prime Minister: I would be very happy to look into that and I will ask the relevant Minister to get in contact with my hon. Friend.

Engagements

Q8. [323609] **Mr. David Amess** (Southend, West) (Con): My constituent, Mrs. Ditchburn, fled from Gran Canaria to the UK with her two children because she was involved in a violent and abusive relationship. Her partner has now invoked the Hague convention and her children have been snatched back under terrible circumstances. Will the Prime Minister now take a personal interest in the case and assist Mrs. Ditchburn to get her children back?

The Prime Minister: I am grateful to the hon. Gentleman for giving me advance notice of this question. I am sorry to hear of the difficult situation between his constituent and her husband about their children. The hon. Gentleman will know that following an application under the 1980 Hague child abduction convention on 17 March 2010, the High Court of England and Wales ordered the return of the children to their country of habitual residence. The children therefore returned to Gran Canaria on 20 March 2010. As the hon. Gentleman will understand, it is not for me to comment or intervene in the decisions of the court, but I will ask my right hon. Friend the Justice Secretary to look into this matter. He will write to the hon. Gentleman soon.

Q9. [323610] **Jeff Ennis** (Barnsley, East and Mexborough) (Lab): The 82-year-old Mr. Harold Binney from Wombwell in my constituency is supporting my campaign to scrap the derisory 25p age addition on state pensions for the over-80s, which has remained at the same level since 1972, and to replace it with an additional £25 a year through the popular winter fuel allowance. Will the Prime Minister have a word with his very good friend, the Chancellor of the Exchequer, to make sure that this measure is included in his forthcoming Budget?

The Prime Minister: I do not want to anticipate all the news that my hon. Friend will receive in the Budget in a few minutes' time. We have made sure that over the last 10 years pensioner households—indeed, households over 60—have had winter fuel payments every year; they have reached a record level of payment. The Chancellor will comment on that in a few minutes' time.

Rev. Ian Paisley (North Antrim) (DUP): This is the last time I will bother the House and the Prime Minister with a question—I am sure he is greatly relieved about that. I would like to associate myself and my colleagues with the words of condolence spoken in the House

today. This is a sad and tragic hour in our nation, and rumours of war and wars are common. There is sorrow in hearts. Of course, people bury their dead; they put up their monument, but their heart is torn. I have been in too many houses like that in the north of Ireland not to know how deep the cuts are.

In view of the situation that we have here, and its sadness and its sorrow, and the dark shadow that lies upon the whole of our world today, I ask the Prime Minister to continue to give himself, as always, to the task of deliverance and victory and peace—and may it come speedily.

The Prime Minister: I think the whole House will want to pay tribute to the right hon. Gentleman for a long and distinguished career, not just in this House but in a number of forums. That includes his position as First Minister of Northern Ireland. I believe that the part he played in bringing the Unionist community together—indeed, bringing the whole community together in Northern Ireland—to ensure that we had devolution of power, and to ensure that the process of devolution of power was completed, will adorn the history books in many decades and centuries to come. On this day and on this occasion, I want the whole House to thank him for his service to the House and to the whole community.

Q10. [323611] **Mr. David S. Borrow** (South Ribble) (Lab): Does my right hon. Friend agree that no Member of this House or the other place should seek to prevent, through censorship, the BBC or the *Independent* newspaper from questioning the involvement of Lord Ashcroft in alleged corruption scandals in the Turks and Caicosislands? *[Interruption.]*

The Prime Minister: They do not like hearing the name "Lord Ashcroft", Mr. Speaker, but he is chairman of the Conservative party. Perhaps the Conservatives' zeal for investigations should extend to an investigation into Lord Ashcroft.

Ways and Means

Financial Statement

Mr. Deputy Speaker (Sir Alan Haselhurst): Before I call the Chancellor of the Exchequer, it may be for the convenience of Members if I remind them that at the end of the Chancellor's speech, copies of the Budget resolutions will be available to them in the Vote Office.

12.32 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): This Budget takes place as the UK is emerging from the deepest global recession for over 60 years. It has been a testing time, which has required Governments across the world to make difficult decisions and difficult choices, and to take unprecedented actions. We had to decide whether to intervene to rescue the financial system or to stand on the sidelines, and whether we should support the economy, business and families, or let the recession take its course. The record shows that the right calls were made.

Global recession has not turned into depression. Unemployment here in the UK has not risen as much as was feared. Borrowing, as I will explain later, is lower than forecast last year. But the recovery is still in its infancy, and there are equally tough choices ahead: choices that will shape our economy and society for decades to come. The task now is to bring down borrowing in a way that does not damage the recovery, or front-line services on which people depend. The challenge now is how we invest as a country to support the industries of the future and allow the talent of the British people to flourish.

At the heart of our decisions is a belief that Government should not stand aside, but should help people and business to achieve their ambitions. My Budget today builds on that belief, and on our confidence in this country. This will be a Budget to secure the recovery, to tackle borrowing, and to invest in our industrial future. It will continue targeted support for businesses and families where and when it is needed. It will set out how we will stick to our plan to halve the deficit within four years.

Our economy is at a crossroads. Having come through this global recession, this Budget will set out a route for the country to long-term prosperity. At its heart is a £2.5 billion one-off growth package to help small businesses, promote innovation, and invest in national infrastructure and key skills. This package will be paid for by switching spending from within existing allocations and the extra proceeds from the tax on bank bonuses, in line with a Budget that is balanced over the period.

The world is still recovering from the severest economic shock of our lifetime. Despite what some try to suggest, the recession has not been restricted to the UK, nor did it begin here. A storm which began in America spread rapidly around the world. It was the biggest test that countries had faced in modern times. When I presented my Budget a year ago, world leaders had just met in London to agree unprecedented action to rescue the global economy. Governments of all political colours acted to stabilise their banking systems and to use fiscal and monetary policy to boost demand and protect jobs.

Not everyone here supported the action taken, but with hindsight it is even clearer that the right calls were made: economic disaster was averted; growth has begun to return across the major world economies; and the prospects for the global economy are much more positive than they were a year ago. But there is nothing preordained about continued recovery. There are still uncertainties. Financial markets are febrile, oil prices have increased by over 50 per cent., bank credit, while improved, remains weak in many parts of the world, and confidence has not fully returned to either businesses or consumers.

That is particularly the case in Europe, which is the market for 60 per cent. of our exports. Germany saw no growth in the last quarter. Ireland, another key trading partner, has contracted by over 10 per cent. Spain is still in recession. Italy has slid back into negative growth. Unemployment at 10 per cent. across the euro area is adding to uncertainty. All these factors are having an impact, particularly on an open trading economy like the UK. So it is imperative that EU countries act with renewed energy and vigour to get the European economy moving forward again. We need to support trade, discourage protectionism and take forward structural reforms. Such continued international action is crucial not only to global prospects but to each and every country's future. Over the last two years we have been reminded of the force for good that Governments can be in protecting people. The role of government is now equally critical in regulating the global financial system and putting in the right foundations for future growth, jobs and prosperity.

The crisis in the world economy started in the banking sector, so improved global financial regulation must be the key priority. Our first test here in the UK came with the problems of Northern Rock. The Government intervened to protect savers and underpin the financial system. The unprecedented decision to nationalise a high-street bank was controversial, as was our action later that year to recapitalise the banking system. Other Governments right across the globe also acted to stabilise the financial system, and I believe this judgment has been proved correct. In the UK, the latest figures from Northern Rock show it is returning steadily to normality. RBS is now being restructured and is rebuilding. Last week Lloyds predicted a return to profitability this year. We will sell our shares in RBS and Lloyds, as well as Northern Rock, in a way that maximises value for the taxpayer and recoups the money we have invested.

We intend to get all taxpayers' money back. In the meantime, I can tell the House that the Treasury has already received over £8 billion in fees and charges from the banks, in return for our support. At the time of the pre-Budget report I put in place a one-off 50 per cent. tax on the excessive bonuses of bankers. I made it clear that banks had a choice of whether to pay bonuses or not—but that if they did, given the amount of taxpayer support that had been provided, I believed it was right that the country as a whole should benefit. I can tell the House that that tax has raised £2 billion—more than twice as much as was forecast. That is money paid by the banks, and those receiving bonuses will, of course, also have to pay income tax at the highest rate.

As well as supporting the banking system during the crisis, we need long-term reform to prevent excessive risk-taking. Under our presidency of the G20 last year, we put in place a plan to reform the international regulatory system, but we still need to do more to

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strengthen global banking. The G20 countries must put in place new rules on capital and liquidity by the end of the year. We also need to reform remuneration practices, improve cross-border resolution for when banks fail, and ensure that international standards are implemented. We cannot continue with a situation where the banks are rewarded for creating excessive risk, but the taxpayer foots the bill when things go badly.

More countries now agree on the need for an international systemic tax on banks, which must be brought forward quickly, as I will urge international Finance Ministers in Washington when they meet next month. I agree with all those who think that such a tax should be internationally co-ordinated. Going it alone, as some have suggested, would costs thousands of jobs, not just in London but across the whole country. Global efforts must be complemented in each country with a drive to implement existing banking reforms, as we are doing in the UK.

As part of the reform of banking, I want to make it easier for everyone to access banking services. Since 2003, the number of people without a bank account has been halved. I can today announce that we will do more to combat financial exclusion, through a guarantee that everyone can have a basic bank account. That will mean that over the next five years up to 1 million more people will have access to bank accounts—something essential in the modern world.

We must be careful that, as banks begin to return to profit, the sense of urgency around reform is not diminished. There can be no return to business as usual for the banks, but we also must remember that their success is vital not just for the global economy but for Britain's future. London is the world's leading financial centre. Across the country, the sector supports over 1 million jobs, including in Edinburgh, Leeds, Manchester, Cardiff and other cities. A healthy, strong financial services industry is essential for our long-term prosperity.

The crisis might have started in the financial sector, but it spread rapidly to the entire global economy, underlining why intervention was essential. The impact has meant that the UK economy has contracted by around 6 per cent. over the course of the recession. That compares with 8 per cent. in Japan, 7 per cent. in Germany and 4 per cent. in the United States. Businesses in the UK have taken painful decisions. Many families have seen their incomes squeezed. Given the intensity of the global storm, no Government could prevent all jobs from being lost, or all businesses from closing.

However, I believe that Governments have the ability to act and the responsibility to reduce the length and severity of the recession, which is why we took decisive action to stimulate the economy, cutting taxes for families and business, as well as bringing forward capital spending. We also introduced initiatives such as the car scrappage scheme to protect jobs and skills. I can tell the House that this helped to drive an increase in sales of nearly 30 per cent. in the past year, and this in the middle of a recession.

Of course those decisions have a cost, but the cost would have been far greater, for families and the economy, if we had failed to act. We could have followed previous Governments and watched from the sidelines; we could have listened to those who opposed all those measures last year. But if we had, I believe that we would still be in recession. I am also certain that the pain caused would have been worse and more widely felt.

Indeed, in the recession of the 1990s the rate of home repossessions was twice as high as now. That would have been the cost of abandoning families to their fate. Double the rate of business failures: that would have been the cost of failing to support business through this recession. And because of the policy decisions that we made, the Bank of England has been able to take decisive monetary policy action during the downturn. Interest rates have been held at record lows—below 1 per cent.—although they were at double figures for almost three years in the early 1990s. But more than anywhere else, we can see the impact of our choices in the state of the jobs market here. Unemployment has been rising in this country, as it has been around the world. Last week's figures, however, showed that UK unemployment had fallen, and is lower than unemployment in the euro area and unemployment in the United States. Even after the severity of this recession, the claimant count stands today at 1.6 million people. This compares with 3 million people in the recessions of the early 1980s and 1990s. Nor, because of a decade of welfare reform, has there been the massive increase in the numbers on inactivity benefits that we saw in the 1980s and 1990s.

I can tell the House that the claimant count today is still lower than the number we inherited in 1997. That has not happened by chance; it has happened because of the choices that we made. It is because of the tremendous efforts by business and work forces to keep people in jobs. It is also because, as the global storm hit our country, we responded with an additional £5 billion to help people find new work more quickly. We expanded the Jobcentre Plus network and offered support through the rapid response service at firms hit by redundancies.

It is clear that our approach is making a difference. Nearly 4 million people have been helped off the claimant count in the last year alone. With personalised support, around three quarters of those losing a job are leaving the claimant count within six months. Indeed, if this recession had followed the course of the last one, four times as many jobs would have disappeared.

The flexibility of the tax credits system has also provided automatic support, compensating families for loss of income due to shorter working hours and part-time working. I can tell the House that this year 440,000 families have benefited from this extra help—on average by £38 more per week—when they need it most. Despite all this support, there are groups that are likely to need more help, even as the economy recovers. For older workers, I want to extend the support provided by tax credits. To make it easier for those over 60 to receive working tax credit, we will reduce the minimum number of hours they need to work to be eligible. To enable people who want to work longer to do so, we are now consulting on reform of employers' right to make people retire at 65. We are looking at options that include scrapping the default retirement age, raising it or giving employees stronger rights.

For younger workers, I have introduced a guarantee of a job or training for every 18 to 24-year-old after six months out of work, which is already proving a success. This was to run until March next year, but with recovery still in its infancy, we should not withdraw this support

too soon. Because unemployment has been lower than forecast, the cost has been lower than expected. I have therefore decided to use the money saved to extend the guaranteed offer to young people until March 2012. So for the next two years I can guarantee that no one under 24 will need to be unemployed for longer than six months before being offered work or training: help with jobs now and, as I will outline later, help with jobs for the future.

Low mortgage rates have reduced costs for home owners, but many families still face fears over repossession. The support for mortgage interest scheme, which I enhanced during the recession, is already helping 220,000 homeowners who lost their jobs. To maintain this help during the recovery, I will continue to pay this support at the higher rate for another six months.

I am also determined to do more to help families take that first crucial step on the housing ladder. We have introduced new help through shared equity schemes, and in 2008 we also brought in a stamp duty holiday on all transactions under £175,000, which ended in December. By helping 260,000 home buyers, it supported the entire housing market when it needed it most. The housing market is now stabilised and has begun a slow recovery, but many first-time buyers, particularly those without large deposits, still find it hard to get a mortgage. I want to help them, but to do so in a way that is properly funded.

I can announce that I will double the stamp duty limit for first-time buyers from midnight tonight from £125,000 to £250,000 for this year and next. This means that nine in 10 first-time buyers will pay no stamp duty at all. But to ensure this measure does not become a burden on public finances, this relief will be funded through an increase in the stamp duty to 5 per cent. for residential property over £1 million from April next year.

Tax-free individual savings accounts have been an extraordinarily popular way to save, including for those saving for a deposit on their first home. Since their introduction in 1999, 19 million people have taken them out, saving over £270 billion. From next month, the annual ISA limit will rise from £7,200 to £10,200, of which half can be saved in cash. To help encourage saving further, I have decided that ISA limits will increase annually in line with inflation. These changes come at a time when the savings ratio has already risen strongly over the past year, to the highest it has been since 1998.

The last year has been tough for many people, but the evidence shows it would have been harder still without the choices we made and the action we took to support the economy. We need the same good judgement and decisive action to secure and strengthen the recovery, and to provide the right basis for the country to seize the opportunities ahead.

I want now to return to my forecasts. As I have said on many occasions, the world economy is still in a period of great uncertainty. In the absence of Government action to support the economy, the weakness in some of our overseas markets, particularly Europe, could result in a substantial downward revision of our growth prospects, but because of the action we have taken through the recession, and the measures that I am announcing today, I believe that only a small reduction is needed.

This year, as I said in last year's Budget speech and last year's pre-Budget report, I expect the economy to grow by between 1 and 1.5 per cent. I have decided to revise slightly downwards my forecast for 2011 to bring it into line with those of the Bank of England, to growth of between 3 and 3.5 per cent. Projections for the public finances are based, as is normal, on the lower end of these forecast ranges. As the economy continues to rebalance following the recession, my forecast for the following years is unchanged.

We have already seen inflation rise above 3 per cent. in the first month of this year, increasing the cost of living. The inflation figures released yesterday show a rise of 3 per cent. Although high compared to recent years, this is a far lower sum than the peaks in inflation of over 10 per cent. in the 1990s and 20 per cent. in the 1980s, and as the Governor of the Bank of England has said, the present increase in inflation should be temporary, and results from the ending of the VAT cut and other one-off factors.

I want, however, to help families and business through this period, so I have decided to stage next month's increase in fuel duties. Instead of the planned increase, fuel duty will rise by a penny in April, which is less than inflation, and it will be followed by a further one penny rise in October, and the remainder in January. The staging will ease the pressure on businesses and family incomes at a time when other prices are increasing. By the time the full rise comes in at the beginning of next year, I am forecasting that inflation will be back at 2 per cent. I am today writing to the Governor of the Bank of England in the usual way to confirm that the inflation target remains unchanged at 2 per cent. With interest rates also expected to remain low and stable, this is essential for future growth.

The cost of stabilising the financial system and stimulating economies has meant an inevitable increase in Government borrowing here and around the world. This has been exacerbated by the sharp fall in tax revenues during the recession. The importance of our financial industry, which provided £1 in every £4 of corporation tax, has meant that we have been particularly badly hit. In the pre-Budget report I forecast that public sector net borrowing would reach £178 billion this year.

We now have hard data rather than forecasts on tax revenues for 11 months of this financial year, and as a direct result of the action we took in supporting the economy at a difficult time, tax receipts in December, January and February have been better than expected. More resilient consumers and retailers have meant that VAT receipts are now £3 billion higher, better company profits have led to higher corporation tax receipts, and with more people having stayed in work, income tax revenues are stronger.

These are the results of the deliberate choices we made over the last two years. At the same time, spending — including spending on benefits and tax credits — has been broadly in line with my forecast. As a result, I can tell the House that borrowing this year should now be £11 billion lower, at £167 billion. In 2010-11, in part because of one-off factors boosting receipts — such as this year's tax on bank bonuses — borrowing will be £163 billion.

It would not be sensible to assume that this year's surplus in receipts will be maintained in full in the medium term, but with the economy recovering in later years, together with the revenue from tax increases already announced, borrowing will fall to £131 billion in 2011-12, then to £110 billion; in 2013-14 it will be

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£89 billion; and it will reach £74 billion in 2014-15—£8 billion lower than was forecast in December. This will mean that debt is £100 billion lower by 2013-14 than was expected at the time of last year's Budget.

As a share of the economy, borrowing is forecast at 11.8 per cent. of gross domestic product this year. It will fall to 11.1 per cent. next year, then 8.5 per cent. In 2012-13 it will be 6.8 per cent., then 5.2 per cent., and fall to 4 per cent. in 2014-15. This means a reduction in the deficit from 11.8 per cent. to 5.2 per cent. It will have more than halved over a four-year period.

The structural deficit, which takes into account the economic cycle, is estimated to be 8.4 per cent. of GDP this year and to fall to 2.5 per cent. by the end of the period. That is a reduction in the structural deficit of over two thirds, removing the bulk of the structural deficit by the end of the next Parliament. And as I have said before, should the economy perform better than expected, we will be able to do more to reduce the deficit.

In 2007 Government debt as a share of the economy was lower in the UK than in every other G7 country except Canada. Debt has increased across the world as a result of this global recession. According to the International Monetary Fund, net debt as a share of GDP is expected to reach 82 per cent. in Germany, 83 per cent. in France and 85 per cent. in America. As a result of our action to support the economy, I can forecast that public sector net debt here will reach 54 per cent. of GDP this year. It will then increase to 75 per cent. by the end of the forecast period in 2014-15, but net debt as a share of GDP will begin to fall the year after that. Even at its peak, debt will be in line with the average of the G7 economies. This is the fastest deficit reduction plan of any G7 country and we will meet our statutory obligations. To start cutting now risks derailing the recovery, which is already bringing down borrowing more rapidly than expected. To go faster, in the face of uncertainty, would mean taking a huge risk with people's jobs and incomes, and with our country's future. I am not prepared to take that risk. We have worked too hard as a country to come through this recession to throw it away now.

I know there are some demanding immediate cuts to public spending. I believe that such a policy would be both wrong and dangerous.

We will need to work as hard to establish a platform for sustained growth, jobs and prosperity in the long term. Since the start of the global crisis, I have always been clear that support for the economy now must go hand in hand with a clear plan to reduce borrowing. Our plan is to reduce borrowing by £78 billion in cash terms over the next four years. We are set to achieve that goal by a combination of three elements: tax; public spending cuts; and, of course, growth in the economy.

First, on taxes, I have already made difficult decisions, and I have been guided by our values of fairness and the need not to undermine the recovery. The one penny increase in the main rate of national insurance contributions will not affect anyone earning under £20,000 a year; nor will it come into effect until April next year, by which time I expect that the recovery will be stronger and more secure. The 50 per cent. rate of income tax will come in next month, but it affects only those with earnings over £150,000 a year—the top 1 per cent. of earners. For people with incomes over £100,000 a year—the top 2 per cent.—we will gradually remove the value of their personal allowances. Tax relief on pensions will be restricted from next year, but again only for those with incomes above £130,000 a year.

Among all the tax rises since the beginning of this global crisis, 60 per cent. of them will be paid for by the top 5 per cent. of earners. We have not raised these taxes out of dogma or ideology; we are determined to ensure that our overall tax regime remains competitive. But I believe that those who have benefited the most from the strong growth in incomes in the past years should now pay their fair share of tax. I have no further announcements on VAT, on income tax or on national insurance rates.

I can confirm that duty on beer, wine and spirits will increase as planned from midnight on Sunday. Alcohol duties will also be increased by 2 per cent. above inflation for two further years from 2013, and the planned increase in fuel duty and landfill tax will continue for one year from 2014.

A long-standing anomaly has meant that cider has been under-taxed in comparison with other alcoholic drinks. I intend to correct that, so duty on cider will be increased by 10 per cent. above inflation from midnight on Sunday, and in September changes will be made to the definition of "cider" to ensure that specific strong ciders are taxed more appropriately.

Tobacco duty will increase from today by 1 per cent. above inflation and then increase by 2 per cent. in real terms each year until 2014. I have also decided to freeze the inheritance tax threshold for a further four years, and this will help to meet the cost of care for older people. My right hon. Friend the Secretary of State for Health will shortly set out further proposals. Altogether, our tax plans will raise £19 billion towards reducing borrowing.

The next element of our fiscal plan is to control public spending. But to cut spending now, before the recovery is self-sustaining, would be short-sighted and counter-productive. That is not just my view, but that of Governments around the world, the International Monetary Fund, the World Bank and the OECD. I know that others take an opposite view. Indeed, the House will remember that in his Budget response last year the Leader of the Opposition even then demanded immediate action to cut spending. If we had listened to him, the result would have been to deepen the recession and delay the recovery, and to see more businesses closing and many more jobs lost. As a result, borrowing would have been higher, not lower. We did not follow that course; nor did any other G20 country. Cutting support now would take demand out of the economy, pull the rug from under the recovery and delay our return to sustained growth.

So we will stick to our spending plans for next year, which will see a 2.2 per cent. real-terms increase. That will allow more time for the private sector to invest and create jobs, ensuring that the recovery will continue and strengthen. It will also mean that we can maintain the improvements that we have put in place for our front-line services over the past 13 years—improvements that have seen 118 new hospitals, 1,600 new schools, and tens of thousands of extra doctors, nurses, police and teachers.

In December, I set out how we will protect spending on those front-line public services, on which we depend. That enabled us to guarantee NHS health checks every five years for the over-40s; referral to a cancer specialist within two weeks; extra maths and English tuition for all seven to 11-year-olds who fall behind; a place in education or training for every 16 and 17-year-old; and to maintain funding for police officer numbers. I can confirm that we will honour those guarantees.

I can also confirm that we will allocate over £4 billion from next year's reserve to fund operations in Afghanistan. I know that the whole House will want to join me again in paying tribute to the courage, commitment and professionalism of our armed forces, who represent all that is best in our country.

We can offer these guarantees for front-line services—and deliver our plan to reduce the deficit—only through continued reform and efficiencies, and through holding down increases in spending overall. If unemployment is lower than predicted, as has already been the case, the cost of paying benefits will be lower. Debt interest costs have also been lower than expected. Even so, it is clear that the next spending settlement from 2011 onwards will be very tough—it will be the toughest for decades. Even before the spending review has been held, we have already identified cuts and efficiencies of over £20 billion, through limiting pay, reducing programmes and making savings. In December, I set out savings of £4.4 billion in public sector pay and pensions by 2012-13. There will be reductions in the pay bill for senior civil servants. Overall, we intend that public pay settlements will be held at a maximum of 1 per cent. for the two years from 2011. We will also implement reforms to ensure that public pensions are affordable.

Secondly, we need to identify savings across every part of the public sector by delivering services more efficiently; they will be tough and challenging, but they are achievable. We have already saved £26.5 billion from departmental budgets between 2005 and 2008, but we need to go further. At the pre-Budget report we committed Government Departments to find over £11 billion of new savings through reforms, without damaging the front-line services. Departments will publish today details of how they will make these savings from 2011, as we work towards the spending review. We will also find savings by relocating civil servants from expensive London offices to elsewhere in the country. In the long term, I am announcing that the number of civil servants in London will be reduced by a third. As a first step, 15,000 posts will be relocated within the next five years. I can tell the House today that 1,000 posts from the Ministry of Justice will be moved out of central London, saving £41 million.

Thirdly, on top of those savings, we have already identified £5 billion of cuts in specific programmes, which were announced in December. I can confirm that they will go ahead as planned. Fourthly, it has always been our goal to reform the benefits system so that it makes work pay. The current approach to calculating housing benefit pays very high rates to a small number of tenants in expensive areas. That discourages employment and is unfair. I can tell the House that we are taking steps to address that, so from October next year the most expensive properties across the country will be excluded from the housing benefit calculation in each area. In addition to measures to prevent fraud and error, that will save nearly £250 million a year by the end of the forecast period.

That is over £11 billion from greater efficiencies, £5 billion from scaling back or cutting lower priorities, and over £4 billion from reducing the cost of public sector pay and pensions. In total, that is £20 billion-worth of savings to reduce borrowing and protect front-line services—even before the spending review.

There is one other area that can help to reduce Government debt. I announced at last year's Budget a programme to secure £16 billion through asset sales, and we are making considerable progress. On the student loan book, we are looking to appoint advisers in the next couple of months to develop a sales proposal. On the Tote, we are on track to launch the sale process this summer. We are also finalising options on the sale of the Dartford crossing. The proceeds from these sales will make a significant contribution to reducing debt.

The third element of our plan to reduce borrowing is economic growth. As we have already seen in the enhanced tax receipts since December, a stronger economy can make a major contribution to reducing borrowing. The raw materials to fuel growth are here in abundance. No country has more talent, and we remain the world's sixth biggest manufacturing nation. We have world-class industries, advanced manufacturing, bioscience, aerospace and the creative sector, whose products are in demand across the globe. We have worked hard to create the environment where that ingenuity and entrepreneurial flair can thrive, doubling investment in our science base, and having low interest rates and inflation and the lowest rate of corporation tax in the G7.

However, our competitors are not standing still. The opportunities and jobs of the future will come from the new markets and new locations, particularly in the east. We cannot take growth for granted. Again we have a choice: we can sit back and hope for the best or we can recognise the role that Government can play in providing a launch pad for businesses to succeed. Of course, it is the private sector, with its drive and ingenuity, that will create jobs and prosperity, but just as the Government have been critical in reducing the severity of the recession, it is the Government who have a crucial role in building our country's strengths. Together with the Secretary of State for Business Innovation and Skills, I have been working to find effective ways to enable small businesses to grow, to invest in key national infrastructure and skills, and to promote research, innovation and enterprise.

Access to finance is vital for small businesses. It was understandable that banks reduced lending to repair their balance sheets, but it caused problems for companies and the wider economy. In return for support during the financial crisis, we have made banks accept their obligations to lend more. In the past 12 months, RBS and Lloyds, which make up half the market, have lent £38 billion to small and medium-sized businesses. However, as recovery gets under way, we need to ensure that viable small and medium-sized enterprises continue to get the credit that they need. So, over the next year, I have agreed that RBS and Lloyds will provide a total of £94 billion of new business loans, with nearly half going to SMEs.

There are still companies that are unfairly denied credit and that feel powerless to challenge such decisions. I want to change that position and to give them the

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right to have their credit complaints properly examined. To help them and the economy, I will set up a new service to fast-track credit complaints from SMEs. This new credit adjudication service will examine lending decisions to see whether they are fair. It will have legal powers to enforce its judgments if it believes that credit has been wrongly denied. But, ultimately, the best way to open up credit for business is to boost competition. We have already made sure that the restructuring of Lloyds and RBS, which will see 900 branches change hands, will bring new entrants into the market. At least five new banks have already either established themselves as business lenders or are in the final stages of setting up. We want even more competition, so the Financial Services Authority will improve and speed up the licensing processes for new banks.

We want successful businesses to be able to attract equity and venture capital, as well as bank loans. The Government already offer a wide range of support for businesses to help to unlock additional private investment, but businesses find that the wide variety of options can be daunting, so we are bringing together all those initiatives under a new national investment corporation to be called UK Finance for Growth, which will streamline and improve our offer to the SME sector. The new body will oversee the Government's £4 billion range of finance support for businesses. That will also include a new growth capital fund, which will have a specific role in providing fast-growing companies with the private capital that they need. Commercial banks have so far agreed to contribute more than half of the £200 million committed to that fund. It will eventually provide £500 million of finance.

In addition, in this Budget, I am taking forward a range of proposals to help larger firms to access non-bank sources of lending. Small businesses throughout the country count central Government as one of their key clients. Building on the recommendations of the Glover review, I will increase by 15 per cent. the proportion of central Government contracts that go to small and medium-sized firms. That could mean new business worth an extra £3 billion from central Government alone and up to £15 billion across the wider public sector. In addition, we are taking steps to speed up payments to businesses from Government Departments, so that 80 per cent. of invoices will be paid within five days.

I will also provide extra support to small businesses through the tax system. The improved time to pay scheme has helped businesses to spread £5 billion-worth of tax payments over a timetable that they can afford. Between them, those businesses employ more than 1.4 million people. The extra time has also helped businesses to pay more of the tax that they owed. That double benefit has convinced me that the scheme should be extended for the whole of the next Parliament.

On top of giving small businesses more time to pay taxes, I want to reduce their taxes, and to help them invest and expand. First, business rates are a fixed cost from the moment a company moves into its premises. The Federation of Small Businesses says that that is the third biggest cost after salaries and rents. To help fledgling businesses set up, as well as existing ones, I have decided to cut business rates for one year from October. That means a tax reduction for more than half a million small businesses in England, 345,000 of which will pay no business rates at all. That includes 90,000 industrial premises, 60,000 offices and almost 100,000 shops.

Secondly, I am determined to make sure that the tax system does not hold back decisions to invest during the economic recovery. Scrapping investment allowances, as some have proposed, in order to pay for an overall rate of corporation tax, makes no sense at all. It would mean, for example, that manufacturers and many smaller companies would see their tax bills increase, whereas banks would get a windfall profit. So, instead, I want to help small businesses to expand by doubling the annual investment allowance to £100,000. As a result, 99 per cent. of businesses will be able to deduct from their taxable profits in the first year all investments in plant and machinery.

Thirdly, I am going to make it more attractive for wealth creators and innovators to set up their own businesses. To do that, I am doubling entrepreneurs' relief for capital gains tax. At the moment, the first £1 million of lifetime gains are taxed at a lower rate of 10 per cent., rather than at the main rate of 18 per cent. That threshold will now increase to £2 million, enabling entrepreneurs to benefit more from their effort and investment. I can also confirm today that I am not increasing the main rate of capital gains tax.

Better access to finance, improved procurement, lower taxes and more time to pay—this is benefiting hundreds of thousands of small businesses and providing the backbone of future economic growth and jobs.

Investment in both traditional and new infrastructure is also vital if our economy is to grow and our businesses are to succeed. We have to move goods and people around the country and around the globe. It is no good supporting high-speed rail links in principle but declining to back plans that might lead to local controversy. The Government are taking forward plans for a high-speed rail link from London to the midlands and then to the north and Scotland. In government, we have taken the tough decisions to improve our transport links and to cut delays in our planning system. Plans for Crossrail and Heathrow, along with high-speed trains, will improve transport in this country and will support some 100,000 jobs over the coming years.

Roads, of course, are an essential part of our transport network. The bad weather of the past few months has taken a damaging toll on their condition, so I am providing £100 million to pay for repairs to local roads throughout the country and £285 million to pay for improvements in the motorway network, including by expanding capacity by allowing hard-shoulder running. For that and other measures there will be consequential provisions, where appropriate, for Scotland, Wales and Northern Ireland.

Improving our infrastructure also requires us to renew and modernise our energy supplies. Again, our competitors are not standing still. China is building a new power station every week to meet its growing energy needs. We need to take long-term decisions to secure our supplies, while moving to a low-carbon economy. That means replacing our ageing nuclear power stations and investing in renewable energy along with sustainable transport.

In last year's pre-Budget Report, I set up Infrastructure UK, to advise on how our country can achieve those vital goals. Today, it published a new strategy setting

out a route map and the investment that will be needed. To deliver this ambition, which is vital for future jobs and the health of our planet, I am setting up an investment bank. It will control £2 billion-worth of equity, half of which will come from assets, including the channel tunnel rail link, and the rest will be matched by private investment.

That equity will unlock billions more of finance from the private sector. The fund will focus first on investing in green transport and sustainable energy, in particular offshore wind power, where Britain is already the world leader. To strengthen the position further, we are offering £60 million to develop ports to host manufacturers of offshore wind turbines. That will help the UK to secure new inward investment deals and support thousands of extra jobs in these sectors.

The UK has the potential to be the world leader in the digital economy. Realising this ambition would create thousands of new businesses and hundreds of thousands of new jobs. It would also open the way for public services to be delivered more effectively, and at lower cost. Access to high-speed broadband is essential to deliver these goals. We have taken the decision to ensure that the benefits are spread to rural as well as urban areas and are not limited to the better-off. The 50p monthly landline duty will unlock private investment and enable 90 per cent. of the country to access the next generation of fast broadband by 2017.

I now turn to how we will give targeted help to British industry to realise its global potential. The role of modern government is to work with key sectors to help them compete and prosper. We will not go back to the interventionism of the past, but nor can we return to the hands-off approach of the free-marketeers.

It is also through partnership, not indifference, that Britain can and will succeed. It is a source of pride that 50 per cent. of all Ford diesel engines in the world are now produced in Britain's cutting-edge engineering plants. That is testament to the commitment of their staff and the high quality of their research and development, but the Government have also played a part, with financial support, in this success story.

The Government, again, cannot develop and manufacture electric cars, but we can provide the support to help these projects to take place in Britain. The announcement by Nissan last week that it is to produce in Sunderland its first mass-produced electric car was a vote of confidence in British engineering and its work force, but this ground-breaking venture would not have happened without our support to unlock this private investment. It is precisely that co-operative approach that will ensure our country competes successfully on a global scale.

The same partnership is being built in the life sciences sector, which already employs over 120,000 people. Our approach can be seen in the patent box, for example, which offers tax breaks on income from patents held in the UK. That will lead to more products being manufactured here in this country.

Our creative industries are also a huge source of jobs, wealth and pride. I will offer help to the computer games sector, similar to the steps that are helping to restore the fortunes of the British film industry. It is a highly successful and growing industry, with half its sales coming from exports, and we need to keep British talent in this country.

From advanced manufacturing to pharmaceuticals, and from digital communications to creative arts, it is the ideas that are driving their success. Building on the Hauser review, we will ensure that the UK's technology and innovation centres achieve their potential to commercialise new British discoveries. We have also strengthened the links between universities and business to ensure that ideas are harnessed for commercial success, but we need to do more, so we will set up a £35 million university enterprise capital fund to provide direct support for university innovation and spin-out companies.

Along with the impact of new ideas, it will be the ambition of young people that will carry this country to success. We need to invest in skills, education and our centres of learning. Over the past 13 years, we have increased the number of places and funding for universities by 25 per cent. Almost 400,000 more of our talented young people now go on to university than in 1997. Given this unprecedented rise in investment and the need to tighten public spending overall, universities must make efficiency savings while focusing their funds rigorously on quality teaching and research. We are determined to achieve that without damaging key skills and our economic strengths. To help them to do this, we are going to provide extra one-off funding of £270 million in 2010-11 through a modernisation fund that will help universities to create 20,000 more university places, largely in key subjects such as science, technology, engineering and maths, starting in September this year.

The extra places allow us to strengthen our offer to our young people and ease parents' concern that their child's first taste of life after school or college will be a prolonged spell on the dole queue. We have seen in past recessions what a waste of potential that was and the long-term damage that it caused. Because of the choices that we have made, every school and college leaver, as well as every recent graduate, under the age of 24 will receive personal help and new opportunities. That will be delivered by a guaranteed place in education or training for all 16 and 17-year-olds, a guaranteed job, work experience or training for every 18 to 24-year-old, supporting a higher number of apprenticeships, and more university places for those who want them.

The cost of this £2.5 billion one-off growth package to invest in Britain's future will be met partly by switching resources from existing budgets and, as I said, by the higher revenues from the tax on bankers' bonuses. I expect that cost to be repaid many times over in the coming years in new jobs, new opportunities and greater prosperity.

This recession has had an impact on people across the world. It is often the most vulnerable who are affected most—those in insecure jobs or on modest incomes. While people are suffering hardship, it is all the more unfair that some are escaping their tax obligations. I am determined to continue our successful drive to prevent avoidance and evasion.

Measures in this Budget will bring in additional tax worth £500 million each year, while protecting £4 billion-worth of revenues by 2012-13. These steps include tax agreements such as that already signed with Liechtenstein, which is expected to bring in around £1 billion of extra revenue. I can also now tell the House that we are ready to sign tax information exchange agreements with three additional countries: Dominica, Grenada and Belize. I have a further announcement to make: we expect these

[Mr. Alistair Darling]

deals to be signed within a few days, which is rather quicker than the 10 years it has taken Opposition Front Benchers to exchange information with the deputy chairman of their party.

We are proud of our achievements in helping families and tackling child poverty. For the new born, there is an additional element of the child tax credit, as well as the child trust fund—something which, I know, will now be even better news for certain Members of the House. Pre-school children are benefiting from a massive expansion in free child care places, and I want to do more to help the parents of one and two-year-olds by increasing by £4 a week the money paid through child tax credit from 2012. That extra money will be paid for all children who need it, whether their parents are married, living together, or living apart.

We have also tackled pensioner poverty. In 1997, hundreds of thousands of pensioners lived on a basic state pension worth about £62 a week. From next month, because of above-inflation increases in the basic state pension and the introduction of the pension credit, every pensioner will be entitled to a weekly income of £132.60. We have announced increased personal allowances for older pensioners, which will mean that, from April next year, no one over 75 will pay any tax on the first £10,000 of their income.

The cold weather conditions of the past few months have underlined the importance of the winter fuel payment for many pensioners. Over the past two years, those payments were temporarily increased to £250, and £400 for the over-80s. Without action today, the winter fuel payment would have decreased in value this coming winter, but I have decided that that would be unfair, so I will guarantee this higher winter fuel payment for another year. That means that 9 million pensioner households will receive at least £250 this winter to help with their fuel bills. In line with our values and fairness, help for pensioners, families and homeowners over the coming year is paid for by closing down tax loopholes, as I have already announced.

I believe that the Government have made the right choices to rebuild our public services. When faced with the upheaval of the global recession, we made the right choices to support the economy, businesses and families. Because of the steps we took, opposed by the Conservatives, the recovery has begun, unemployment is falling and borrowing is better than expected. The choice before the country now is whether to support those whose policies would suffocate our recovery and put our future at risk, or to support a Government who have been right about the recession, right about the recovery, and right about supporting people and businesses in this country to build a prosperous future. I commend the Budget to the House.

PROVISIONAL COLLECTION OF TAXES

Motion made, and Question put forthwith (Standing Order No. 51(2)),

That, pursuant to section 5 of the Provisional Collection of Taxes Act 1968, provisional statutory effect shall be given to the following motions:

(a) Stamp duty land tax (relief for first-time buyers) (motion No. 5.)

(b) Alcoholic liquor duties (rates) (motion No. 8.)

(c) Tobacco products duty (rates) (motion No. 9.)

(d) Amusement machine licence duty (rates) (motion No. 17.)

(e) Insurance premium tax (separate contracts) (motion No. 42.)

(f) Stamp duty land tax (partnerships) (motion No. 45.)—*(Mr. Darling.)*

Question agreed to.

Mr. Deputy Speaker: I now call upon the Chancellor of the Exchequer to move the motion entitled "Amendment of the Law". It is on this motion that the debate will take place today and on the succeeding days. The remaining motions will be put at the end of the Budget debate on Tuesday 30 March.

Budget Resolutions and Economic Situation

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That,

(1) It is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance.

(2) This Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation;

(b) for refunding an amount of tax;

(c) for any relief, other than a relief that—

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description. *(Mr. Darling.)*

1.32 pm

Mr. David Cameron (Witney) (Con): So there we have it—Labour's big idea is a stamp duty cut on homes worth less than £250,000. Where on earth did they get that one from? That has been Tory policy for three years. The Chancellor came in copying our inheritance tax cut. He leaves as Chancellor copying our stamp duty cut.

The only new ideas in British politics are coming from the Opposition. The only things that Labour brings are debt, waste and taxes. Here is a first. The centrepiece of this Budget, the stamp duty cut, has already been torpedoed by a Treasury Minister. This is what the Economic Secretary said about the policy:

"raising...stamp duty...threshold to £250,000 would not be an effective use of public money". *[Official Report, Finance Public Committee*, 21 May 2009; c.108.]

First, the Government denounce it, then they embrace it.

That is not all. Remember our tax plan for super-strength cider? When we announced it, the Chancellor's spokesman said that that was illegal. It is now official Government policy. Remember our proposal for 10,000 extra university places? The Higher Education Minister said:

"It is clear, as has been demonstrated in the House today, that this fatuous proposal of an extra 10,000 places is elitist". *[Official Report*, 16 March 2010; Vol. 507, c. 802.]

That is what the Government said about it. Once again, they have been caught taking the public for fools. The Chancellor spoke for an hour. He could have done it all in a sentence. Labour has made a complete mess of the British economy and is doing nothing to clean it up.

One figure in the Red Book stands out above all others. They have doubled the national debt and, on these figures, they are going to double the national debt again. In this election year they are borrowing £167 billion. We are meant to be impressed that that has turned out a few billion lower than the last disastrous forecast, but it is still—hon. Members should be ashamed of this—more than every single Labour Government in history ever borrowed, added up together. That is what they have done. Like every Labour Government before them, they have run out of money, and they are leaving it to the next Conservative Government to clean up the mess.

Today the Chancellor had his last chance to do the right thing for the country. He totally failed. *[Interruption.]* Labour Members are leaving. The taxis for hire are on their way out of the Chamber. The Government are just going to carry on spending, carry on borrowing and carry on failing. The biggest risk to our recovery is five more years of the present Prime Minister—five more years of falling confidence, five more years of bloat and debt and taxes, five more years of Britain closed for business. Most members of the Cabinet are looking at their Blackberries. They cannot think of a single reason why the country should have another five years of the Prime Minister, so I say let us have an election and put them out of their misery.

Let us have a look in detail at the appalling mess that the Prime Minister and Baldemort seem to find so funny. Here are some of the things that the Government did not tell us in the Budget. They boasted about trade. They did not tell us that page 171 of the Red Book just published says that the trade deficit has risen by £7 billion. They told us about investment. They did not tell us that page 169 of the Red Book shows that business investment is falling by 5 per cent. this year. Almost everything that they have told us about the economy has turned out not to be true.

The Government told us they would be prudent. The Chancellor has just said that they will borrow £734 billion over the next six years, giving us a national debt of £1.3 trillion. They have confirmed in the Red Book that the deficit this year at 11.8 per cent. of GDP is the worst in the OECD except for Ireland. That is what the Labour Government have left us with. They talked about education and its importance. Next year they will be spending more on debt interest than on educating our children. They told us endlessly that they had abolished boom and bust, but the figures show that they have given us the deepest recession since the war. The figures show that we lost 6.2 per cent. of our GDP in total.

The Chancellor endlessly boasted about the action that the Government had taken. We have the longest and deepest recession since the war. They should be ashamed. They speak endlessly about their brilliant judgments, yet we were the first into recession and the last out of recession. They talk endlessly about their great judgment and about how well prepared we were. We went in with the biggest Budget deficit, and we come out with the largest Budget deficit. And of course they promised us real help now, yet more businesses went bust in this recession than in any other, and more people have gone bankrupt under Labour than ever before in our history.

What about all the schemes that the Chancellor mentioned, which were launched with great fanfare? How many people did they help? Let us take the mortgage support scheme, which was announced in December 2008. The Government said:

"This is real help for homeowners".

So how many households did it help? Fifteen. That cost £66,000 per household helped; or, to put it in currency that the Cabinet can understand, that is about 13 days of Geoff Hoon's consultancy fees.

The Government told us endlessly how brilliantly they had done on unemployment and what a triumph they had achieved. One in four adults of working age in our country are not in work. They talked about European comparisons. We have more young people unemployed than anywhere else in Europe.

[Mr. David Cameron]

To be fair to the Prime Minister, there is one forecast that he got spot-on. He told an audience of bankers:

"What you as the City of London have done for financial services, we as a government intend to do for the economy as a whole".

That is a pledge he met in full.

Thirteen years on from 1997, we can now see what has happened. In 1997, debt was £350 billion. Now it is getting on for £860 billion. In 1997 the deficit was £6 billion. That is what the Labour Government inherited—a £6 billion deficit. Today it is £167 billion. In 1997 we were ranked seventh in the world for competitiveness. Now we are 13th. We were fourth in the world for tax and regulation. Does anyone want to know what we are going to do? We are going to get back to fourth in the world for tax and regulation.

Barry Gardiner (Brent, North) (Lab) *rose*—

Mr. Cameron: The hon. Gentleman slept through the Chancellor's statement; I am glad to see that he has woken up for my reply. Does he know where we stand today? Having been fourth in the world for tax and regulation, we are now 84th and 86th. We have gone from the top of the premier league to the bottom of the conference in 13 wasted years—and we say that it is time to sack the manager. No wonder "Match of the Day" did not want him.

So that is the mess: what about their plans to clear it up? Pitiful. The big argument in British politics today is this: they say, "Don't do anything before the election—let's just sit tight and keep our fingers crossed"; we say that we need real action to get our economy moving, and urgently. We need a credible plan to deal with Britain's record debts, starting now, and we need to show the world that we are back open for business.

Let us start with the debt. The Chancellor repeated his hope to halve the deficit by 2014. Let us be clear about what this means. It means that in four years' time we will have a deficit almost as big as when Denis Healey went to the IMF in the 1970s. We are not the only ones who think that this is completely inadequate. The CBI has said:

"Current plans to halve the deficit over four years are too little, too late."

The OECD has said that

"more ambitious fiscal...plans...would strengthen the recovery."

The European Commission says that the Government's plans are "not sufficiently ambitious". The Prime Minister used to bang on about how we needed a "global early warning system"—do we all remember that one? Well, how many more warnings does he need? The lights are flashing and the alarm bells are ringing, but he is ignoring them and doing nothing for this country.

A credible plan requires action now, and all we got was delay. The risk to recovery is not in dealing with the deficit now—it is in not dealing with the deficit now. The Prime Minister and the Chancellor are having a good chat—they are probably discussing what sort of fees they can charge after the next election. They should listen. Every family knows that when your debts mount up you need to start paying them off or things only get worse, and it is time for the Government to learn the same lessons. The Prime Minister and the Chancellor—

Mr. Gordon Prentice (Pendle) (Lab) *rose*—

Mr. Cameron: Sit down.

The Prime Minister and the Chancellor faced a choice between bold action in an election year and just playing politics, and once again they chose politics. This Prime Minister will never get a medal for courage—although it has to be said that most of his Cabinet get mentioned in "Dispatches".

A credible plan also requires some honesty; instead, we got double-dealing. All those figures they told us about debt are based on their growth forecast. So let us have a look at the growth forecast—their record of predicting growth. In 2008, they said that we would grow by 2 per cent.; in fact, the economy grew by 0.5 per cent. In 2009, they predicted a decline of 3.5 per cent.; in fact, we shrank by 5 per cent. Now they say that the economy will grow by 3.25 per cent.; the independent experts say 2.1 per cent. The Chancellor told us, standing there at the Dispatch Box, that his forecasts were the same as the Bank of England's: they are not. The Bank of England is forecasting 3.1 per cent. this year and 3 per cent. next year, compared with his forecast of 3.5 per cent. With the former Chancellor, you used to have to go through the fine print before you found out about the rubbish in the Budget; this time, the rubbish came straight from the Dispatch Box. Having given us the lowest decade for growth since the second world war, they are now predicting one of the highest. They have given us the biggest bust in British history, and now they are forecasting an almost permanent boom. Why on earth should anyone believe what they say any more? What we need is a proper independent office of Budget responsibility, which we would set up to set independent forecasts and to keep the Chancellor honest.

We need to get Britain back open for business. Again, this Budget completely fails the test. The Chancellor spent half an hour talking about helping business, but the fact is that he is raising £19 billion of extra taxes, many of them charged on business. Why? Because they flunked the difficult decisions on spending and they are raising tax after tax after tax. There are the fuel duty rise, the broadband tax, and the new taxes on small businesses. He talked about a cut, but he did not mention what happens on 5 April, when the revaluation and the end of transitional relief come in, hitting every small business in the country. Biggest of all is the rise in national insurance, which is a tax on every single job in our country. They want to tax your car, your phone, your business, and your jobs. These are the ticking tax bombshells that are timed to go off the day after the election, and that will destroy our recovery. Instead of more waste, more spending, and more taxes, what this Budget needed to do was to ease the burden on our families and businesses and let enterprise flourish. That is what a Conservative Government will bring. Let us freeze the council tax. No tax on new jobs for new businesses. Lower corporation tax rates and lower small business tax. Radical school and welfare reform. That would be real action to get our economy moving.

This Prime Minister is going around telling everyone, "Stick with me—stick with what you know." But that is the whole problem—this country is stuck with him. Our economy is stuck. Business is stuck. Nothing is moving. Then there is the arrogance of it. "Stick with me." "Why?". "Because I doubled the debt, I put up your

taxes, I wrecked the economy, and I mortgaged your children's future." It is like the captain of the Titanic saying, "Let me command the lifeboats." It is like Robert Maxwell saying, "Let me reinvest your pension." It is like Richard Nixon saying, "I'm the man to clean up politics." Does the Prime Minister really expect the British people to turn round and say, "Thank you for nearly bankrupting the economy?" Find me the small business owner who would wake up to a Labour victory and say, "Thank God we've got five more years of this red tape and taxes." Find me the family who would think, "Great, national insurance is going up and we're all going to be better off." Find me the international business that would think, "Yes, now's the time to invest in Britain." No one has yet thought of a question to which the answer is five more years of this Prime Minister—and that's because there isn't one.

We need an unleashing of enterprise across this nation. We need a plan to boost employment through welfare and school reform. It is time that this country had a radical change of direction. We need a Conservative Government to clean up the mess made by this Labour Government and to stop another five years of debt, waste and taxes. Britain does not need this Prime Minister and this Chancellor—it needs new energy, leadership and values to get this country going again. That is the argument that we will take to the country the moment this man runs out of time and calls that election. *[Interruption.]*

Mr. Deputy Speaker: Order. The House should also hear the response of the leader of the Liberal Democrat party. Can I say to the House, as many hon. Members seem unaware, that there is a clear convention that the responses to the Budget by the Leader of the Opposition and the leader of the Liberal Democrats are not interrupted?

1.47 pm

Mr. Nick Clegg (Sheffield, Hallam) (LD): This Budget has been billed as the preface to the Labour manifesto. Based on what we have seen today, it will not be a manifesto but an obituary. The Prime Minister may have wanted a "giveaway Budget", but what we got was a "given up Budget". This is not the preface to a new Government but a footnote to 13 years of failure. After 13 years, the gap between rich and poor has widened. The poorest 20 per cent. pay a higher proportion of their income in tax than the richest—so much for fairness under Labour. We have had the most prolonged recession since the 1930s, and the spectacle of state-owned banks doing deals that put British people out of work. We needed real change. We needed a Budget that gave us honesty on spending and fairness on taxation. We got neither.

The spat that we have just seen, with the Leader of the Opposition saying that cuts should come now, is a phoney war about when to make cuts to cover up the fact that he and the Chancellor are both the same. Neither has the courage to come up with the details of the cuts that we will need in the years ahead to tackle Britain's deficit. Neither is being straight with the British people about the tough times ahead.

This Budget was a Budget in denial about the scale of change needed—it was about as honest as the CV of the right hon. Member for North Tyneside (Mr. Byers). It is built on growth figures that are unlikely to materialise. It is built on false comfort from a small drop in borrowing that does not affect the structural deficit; we are still borrowing £450 million every single day. Above all, it is a Budget in denial about the unavoidable cuts and savings ahead. The Chancellor claims to have identified billions of pounds of cuts, but there is only real detail about a tiny fraction of the total. Everything else that we have heard today is insubstantial waffle about so-called efficiency savings and a tiny saving in the relocation of civil servants to places outside London.

On the other side of the Chamber, we have heard tough talk about the need to be honest on the deficit, but the Conservatives have barely a fig leaf of detail to back up their claims. They say that we need more than £40 billion of cuts by the end of the next Parliament, but they have published details about just £2 billion. Their demands for honesty come straight from the Karl Rove school of politics: make the biggest fuss about the subject on which you have the most to hide. Labour is in denial and the Conservatives are talking tough to cover the truth—they offer more of the same.

We needed a Budget that gave us honesty in spending and fairness in tax. We got neither. We Liberal Democrats are putting our cards on the table. We have identified a first instalment of £15 billion of cuts that can be realised by 2012-13: saving £500 million a year by ending Government contributions to child trust funds; saving £1.3 billion a year by stopping means-tested benefits for the top 20 per cent. of tax credit claimants; cancelling identity cards and second-generation biometric passports, saving £2.5 billion over the next Parliament; and making longer-term savings, too, by saying no to the like-for-like replacement of Trident. Those are savings that we will need to start implementing once the economy is strong enough to take the strain. The Chancellor could have made some of those choices today, and so could the Leader of the Opposition, but what do we hear from both of them? Nothing. Lots of noise and no honesty whatever.

One of the Government's most shocking sleights of hand in recent months has been to try to duck blame for the recession. Yes, there were global forces at play, but most of the problems started right here at home—the over-dependence on the banking industry, the personal debt bubble encouraged by this Government and the over-inflated housing market that Labour did everything in its power to stoke up.

On the stamp duty reforms announced today, of course we welcome any moves to make the system more progressive, but with 1.8 million families still on a waiting list for an affordable home, it is quite astonishing that this Budget was completely silent on the urgent need for more affordable homes for all. The Chancellor has added to that by a change to housing benefit announced today that will make life impossible for low-income families in high-price areas such as London. Labour should stop trying to kid people about this recession. They got us into it, and only by being honest about how we got into this mess will we ever be able to get out.

I turn to a few details of today's Budget. The Chancellor has only slightly modified his wildly over-optimistic growth forecast, to between 3 and 3.5 per cent for 2011, against a consensus everywhere else from independent forecasters of 2 per cent. He cannot bury his head in the sand just to hide the truth about how long it will take to reduce the deficit.

[Mr. Nick Clegg]

The Chancellor spent a good portion of his speech boasting about the £11 billion he claims to have saved on unemployment costs and through unexpected higher tax revenues. He is living in a fantasy land. This Government still came in £167 billion over budget last year. That is no record to boast of. Someone living off their credit cards and thousands of pounds in debt is not suddenly flush with cash just because their phone bill comes in slightly cheaper than he predicted. We are not better off; we are just ever-so-slightly less worse off.

Even with unemployment lower than originally forecast, we still have more than 2 million people unemployed and 8 million economically inactive. Of course it is sensible at a time of mass unemployment to direct money to help young people especially. I only wish the Chancellor had had the courage to go further and shorten the guarantee for young people from six months to three months. One in five young people are still out of work, and waiting around for six months before they get any help pushes many of them into a state of real desperation.

I welcome, of course, the way the Chancellor has more or less carbon-copied our long-standing proposals for an infrastructure bank and support for green industries to stimulate more job creation. On fuel duty, I note the Government's decision to stage future increases, but they are missing the point. There is a fundamental problem with fuel duty in rural areas where using a car is not a luxury but a necessity. The real priority should be to help rural areas, not just a staged reprieve.

One of the most shocking omissions from this Budget was the failure to address the systemic failures in our banking system. We bailed out the banks to the tune of £1 trillion, and they are hoarding money that should instead be lent to businesses, killing off sound businesses and people's jobs. The banks are even helping to support deals that put British people out of work, such as the Kraft takeover of Cadbury.

The failure to get the banks lending is the absolute centrepiece of the Government's economic mismanagement. The Chancellor today promised new bank lending targets, but why should anyone believe a word he says after what happened last time he made such promises? RBS and Lloyds were told to increase net lending by £27 billion. Instead, they have decreased it by £41 billion. Moving to gross rather than net lending targets is a con that will let the banks off the hook again.

The Government must now recognise that their heavy pressure on the banks to rebuild their capital bases is limiting bank lending and threatening the health of the economy in the longer term. The banks end up hoarding money instead of lending it. The priority for the nationalised banks in particular should be putting money into the real economy, not into their balance sheets.

Turning to bankers' bonuses, the Government raised more than £2 billion—more money than they had expected—from their tax, but that is because the banks refuse to change their behaviour. It is amazing how much the banks are willing to pay to get back to business as usual. A decent Budget would have set out a plan to ensure that they can never do that. We must ensure that the high street banks on which families and small businesses depend are never again put at risk by the casino culture of investment banking. As the Governor of the Bank of England has repeatedly recommended, we need to separate high street and investment banking for good. Until that split is introduced, all banks will remain the beneficiaries of a unique, open-ended guarantee against failure from the taxpayer—a guarantee that they should pay for. That is why last year we proposed a new levy of 10 per cent. on the profits of the banks until they can be split up.

I will give the Chancellor credit at least for some consistency. He has always opposed our plan for that, as he has today, while the Conservatives first ruled it out, then ruled it in, only for their latest proposed bank tax to fall apart in less than 24 hours. Both parties are wrong. Britain is unique in the world in the liabilities of our banking industry relative to the size of our economy. We do not have the luxury of time and we have to protect ourselves against a future collapse.

Finally, on tax, the other gross disappointment in this Budget was the failure to make our tax system fair. Under Labour, the bottom 10 per cent. pay a staggering 48 per cent. of their income in tax, while the richest pay 34 per cent. The Chancellor took pride in saying today that he would make no big announcements on tax. How can he look at a system such as that and say, "Let's have more of the same"? Indeed, his comments seemed to suggest a freeze in income tax rates, which would, if earnings rise, once again hit the poorest hardest. So much for fairness under Labour. How can he happily accept that it is okay for a banker in the City of London to pay a far lower rate of tax on their capital gains than their cleaner does on their wages? So much for fairness under Labour.

The Liberal Democrats propose the most radical tax reform in a generation, hard-wiring fairness into Britain's taxes once and for all. We will ensure that no one pays tax on the first £10,000 that they earn, paid for by closing loopholes that unfairly benefit those at the top, by a mansion tax and by higher taxes on aircraft. That would mean complete freedom from income tax for 3.6 million more low earners and pensioners, and £700 in the pockets of tens of millions more. Crucially, it would be a down-payment to the British people, who are about to take the brunt of the biggest fiscal contraction in post-war history. It would be a declaration of intent—yes, there will be change, but we guarantee it will be fair. Action on tax is the only way to ensure that we can take people with us down the difficult road of deficit reduction. Only the Liberal Democrats are prepared to make real changes in tax to help the millions of people who simply need a break.

After 13 years of Labour, Britain is ready for something different. As we stand on the brink of an election campaign in which there is everything to play for and the future of the country is at stake, my message is simple: this Budget is the old politics, and the old politics is not good enough any more. It is time for honesty in spending and fairness in taxes, and the only party that offers both is the Liberal Democrats.

1.58 pm

John McFall (West Dunbartonshire) (Lab/Co-op): I welcome the Budget and commend the Chancellor for his stewardship over the past year. Not only the leader in *The Times* this morning but individuals I have spoken to in the City over the past year have remarked on his stewardship of the economy.

The results of the banking crisis, though, remain with us to this day. Whether it is higher unemployment or difficulties getting credit, people are still feeling the effects. We must recognise that that still has the potential to generate public anger and resentment. It is safe to say that the message that was repeated to us at the time of the pre-Budget report was that the outlook was uncertain. For instance, the Treasury Committee stated:

"The picture on bank lending remains uncertain, to say the least. While we do not want to return to the times of easy credit, the Government must remain aware of the risk that lending will not support renewed private sector growth as the public sector retrenches."

Mr. John Redwood (Wokingham) (Con): I am grateful to the Chairman of the Treasury Committee for giving way. Is the right hon. Gentleman aware that, last year, in respect of Lloyds bank, which is partly state owned, the amount of loans outstanding fell by £50 billion, despite all the ministerial exhortations?

John McFall: The Treasury Committee has persistently focused on that issue, and this morning I was at a business breakfast with small business representatives, who outlined the problems with lending. At the time, we said to the Chancellor that the lending agreements had to be more transparent—there is a problem with them—but I welcome the additional £90 billion that the Royal Bank of Scotland and Lloyds will provide. We really need to get that lending to small businesses, so the initiatives in the Budget are welcome.

To some extent, however, the uncertainties, whether about credit or the wider economic outlook, remain. The fear of a double-dip recession raises its head every now and again, and monthly data releases are analysed to within an inch of their lives—only to be revised in the following month. In the face of those uncertainties, the Government must act as a buffer, providing support to the economy as the private sector recovers from the banking crisis and resultant recession. That of course has a worrying effect on the public finances, but at times of crisis it is necessary for a Government to support people. The Government must ensure that hope for a better future is not lost, and that will be a theme of the general election. Yes, times are difficult, but we must offer hope and a future to people if they are to maintain their faith in the parliamentary system.

None of us can deny that the choices that we are to make on spending or taxes are difficult, and good decision making requires accurate and timely information. That is why the Treasury Committee, in its report on the pre-Budget report, urged the Government to provide more information. On one such point, we noted:

"There is a sense that the Treasury are using uncertainty to suit themselves. Despite substantial uncertainties they still produce some forecasts out to 2014-15 and illustrative projections out to 2017-18. We can see no good reason for the Treasury failing to produce illustrative figures for future expenditure, at least the projected split between DEL and AME. We recognise that there will be uncertainty in these figures, but they are produced as part of the Spending Review process".

So, with the spending review process in the autumn, I look forward to those figures becoming clearer.

The deficit will have to be tackled, but perhaps more importantly it has to be seen to be tackled. We must satisfy the markets and, more importantly, the people that the deficit is in hand, regardless of our political affiliations. I should like to offer the following notes—some may say, crumbs—of comfort from the Governor of the Bank of England, who, at the Treasury Committee's hearing on the February inflation report, said:

"I think it is very clear we have political consensus on the need for fiscal consolidation. We have a very good track record in the past at meeting our obligations. We have our own currency which gives us greater freedom of manoeuvre and we also have a public debt which has a much longer maturity so that we are not faced with the same rollover refinancing problems which affect many other economies. The UK should be grateful that we have the maturity of our public debt which is almost twice that of any other country."

That comment is very important, particularly in the face of the deficit hawks who want to cut now and cut severely.

We must tread the path of the next few years carefully. The public sector will have to step back and allow the private sector to play a leading role in growing our economy, but we must ensure that the timing is right and we do not crowd out private sector growth with too much debt-fuelled public sector spending. [HON. MEMBERS: "Hear, hear."] But, the dangers are equally treacherous on the other side. If the private sector is so sickly, as it is at the moment—whether owing to a lack of confidence or credit, or because it cannot grow as fast as needed—we risk losing more people to unemployment. So I welcome the Government's commitment to support people and businesses during these difficult economic times.

There is some evidence to show that the Government's action on the economy is working—the number of companies being wound up falls far short of the numbers seen under the previous Tory Government in 1992. To withdraw that support too soon, in the name of balancing the books, would be nothing less than economic suicide. Thousands of people's livelihoods depend on that support remaining in place until the economic recovery is secure. If we were to withdraw it, the fiscal position might deteriorate, not improve, because we would have to deal with the costs of mass unemployment and mass business insolvencies. They would not just represent short-term costs on the public purse, but would create lasting, long-term problems. Mass unemployment turns into worklessness, as we saw in the 1980s, and unnecessary business insolvencies lead to permanent losses in the skills and productivity of the UK's work force.

The Treasury Committee was especially concerned about young people in the current economic climate. We noted:

"We remain concerned over the levels of youth unemployment. While the story for the overall labour market has been more positive than might have been initially hoped at the start of recession, the young have, as we feared, been badly hit. We note the Government's measures in this area, and will continue to monitor their impact."

I welcome the measures on youth unemployment, because I speak not only as a parliamentarian, but as a former school teacher: one who taught in the '70s and '80s; and one who met his former pupils 10 years later, married or with partners with children, and asked them whether they had a job. They told me no. The impact on many young people, and at an early age, is terminal, and that is why we have to support them through that time of hardship.

Let us not forget that 600,000 young people leave full-time education each year, and it is vital that they have education, training or employment opportunities.

[John McFall]

Labour market economists, supporting what I said earlier, say that a person who suffers six months' unemployment aged 18 can feel the effects for decades. Even when they reach 50, they might still earn less than they would have had they not been unemployed. So, without the Government's targeted support for young people, we could go back to the 1980s and see a new generation of worklessness in the UK. All of us must strive to ensure that that does not happen.

Chris Huhne (Eastleigh) (LD): I entirely agree with the importance of ensuring that we do not throw a whole generation on the scrap heap, but, given that the right hon. Gentleman just said that six months is a long period to allow people to go without work and without developing the habits of work, does he agree that it would be better to adopt the proposal of a three-month period before the guarantee came into effect?

John McFall: That is an idealistic position. I do not know enough about the statistics in terms of three months or six months, and some young people get lost in the statistics. The important thing is that we help people after six months, but if it were felt that there was a detrimental effect after three months, and if it were possible to implement the proposal, I would quite happily support the hon. Gentleman's suggestion.

I mentioned public anger, but I shall refer to that later, because I mentioned also financial inclusion, and I certainly welcome the Government's policy on basic bank accounts. As the Chancellor and others know, the Treasury Committee from the previous Parliament forged the policy to ensure that we have a 10-year plan for financial inclusion. We pushed very hard for the Government to act on the problem, and all of us must realise that banking is not a luxury, but vital for our society and our economy.

There was a social contract between the banks and the public: as long as the banks were able to provide basic, essential functions to the public, particularly saving and lending, bankers' bonuses and excesses were tolerated. But no more. With the onset of the financial crisis, the banks stopped being able to carry out those functions, people no longer felt that their money was safe and the banks stopped lending to businesses and households. That social contract has broken down, and we must bear that in mind for future policies.

Considerable public anger is now directed at the banks, and that is understandable given the economic difficulty that many families face. However, given the importance of financial services to the economy, we will not have a secure economic recovery until the financial sector is also on the road to recovery. So it is important that we address the issue of concern and public anger, and restore confidence in the financial sector.

I mentioned financial inclusion. The Government's proposals on basic bank accounts is very welcome, and work is being done already by the Financial Services Authority and the Treasury in respect of data for banks on where people open accounts and where lending is made to businesses and individuals. However, all of us have seen, in our own areas, the proliferation of cheque cash shops, payday companies and doorstep lending in places with little or no banking provision. We need clarity about to whom the banks are lending and not lending. For example, there is a lack of access to cash machines in ethnically diverse areas—a fact that has more potency than a diversity indicator itself. Underneath the figures lies an explanation for why we lack sufficient provision of those basic bank accounts, and we need to go further to ensure that we get that information across.

Even today, 1.75 million people do not have a bank account.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I would like to take this opportunity to thank the right hon. Gentleman for his service to the House as Chairman of the Treasury Committee. However, will he expand on the role that the post office network can play—there is a meeting about this later—in opening up the banking system to many people who are currently un-banked? That trusted brand could work in the basic banking sector, meeting the needs in local communities that have no outlets of any other financial institution. Perhaps more should be done to drive forward the concept of the post bank.

John McFall: I agree with the hon. Gentleman. As he knows, our Committee and others did some work on the Post Office card account and the struggle to retain it. That is important, but we have to take it a step further. A Post Office card account itself is insufficient, because it provides limited services. The ambition for the Post Office, over the next eight or 10 years, is to be a financial services provider, so that there is solidity in Post Office services. That is quite an ambition, but it is very important, given that the Post Office is a trusted brand, as he said, and given that 95 per cent. of the population live within a mile or so of a post office. We need to encourage the Post Office to get that facility going. I am a little discouraged by the fact that Alan Cook, who used to run National Savings and Investments and then joined the Post Office and drove this agenda, is now leaving. However, we need some added urgency, and I look forward to further Government measures on it.

It is not enough for people to have basic bank accounts, because figures show that 60 per cent. of those with such an account make full withdrawals every month. In other words, they do not use the direct deposits of the bank system, and they do not use their bank accounts to pay their utilities bill, which would make them cheaper. At the moment, basic bank accounts for such people are meaningless, so we need to do more work—simply having a basic account is not the answer.

The money guidance service set up by the FSA has a crucial role to play in the financial inclusion agenda. For example, arising from discussions with those involved, I have been told that the majority of people over 60 do not claim pension credit, and that lots of people in social housing do not have basic bank accounts. I would like to think that a number of organisations, not least the money guidance service, could be tools of financial inclusion. That agenda has to be pushed and promoted even more.

On Monday, the Treasury Committee unanimously agreed three reports, and in the next week or two, we will be putting them out. A feature of our Committee has been that we have considered the evidence and agreed our reports on the basis of unanimity. The

report that I consider the most important relates to the issue of banks being too big to fail and too important to ignore. Let us remind ourselves that the crisis has cost 25 per cent. of global gross domestic product, and that the reason for the crisis was that financial institutions took part in risky activities that were both mispriced and misallocated. The bail-outs, necessary though they were, have not ended the mispricing.

The bail-outs have shown that there is an implicit subsidy to banks and financial institutions, which is unfair when considered in relation to other businesses. Banking reform is essential, therefore, to ensure a more stable and less volatile system. That is essential in the United Kingdom, where the banking sector is worth 500 per cent. of our GDP. The fact is that we have big banks and limited choice, and as a result we have insufficient lending to non-financial institutions, as anyone who speaks to the CBI, small businesses or the manufacturing industry will hear. Banking reform in the UK is essential.

I urge the Government to ensure that banking reform takes place, irrespective of what is happening elsewhere. The visits undertaken by the Treasury Committee in the past six months to a year, whether to the United States or Europe, have impressed upon me that countries' electorates will not tolerate a second bank bail-out. I suggest to the Government that the test of reform will come when the risk is transferred from the Government to the banking sector, and a large financial institution is allowed to fail smoothly. As others have said, banking is currently in a position where it privatises its profits and socialises its losses. We have to eliminate that practice.

We have to have engagement with the public. At the moment, that engagement is insufficient. In October 2007, the Treasury Committee visited Japan, and I spoke to policymakers at its central bank. They said that we should take back the message that two things are essential: first, that we have to recapitalise our banks—and recapitalise them early—which the Government have done. Secondly, we need a strategy to deal with the public anger, concern and resentment. I have taken that message forward and helped to establish the Future of Banking Commission, which the right hon. Member for Haltemprice and Howden (David Davis) has agreed to chair, and which the hon. Member for Twickenham (Dr. Cable) has agreed to sit on. We also have the eminent economist, Roger Bootle, and others on the commission.

We have established the commission to look to the future and ask basic questions about what the banking system is for and how it can best serve the interests of customers and regional economies. Those are basic issues, and we would like to present our report to the next Government in June. We want to take forward the message that financial architecture change is essential. However, that will not take place in the next two years—it will take quite a long time. I say that because Basel II took 15 years. So we are in this for the longer term, and it is important that politicians and policymakers stand side by side in ensuring that we get a better, more stable and reformed banking system as a result.

As kindly mentioned by the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith), this will probably be my last speech in the House. I well remember reading the late John Biffen's autobiography. He had a flat on the south side of the river, and he came across Waterloo bridge everyday. He said that, during his long time here, when he spied the House of Commons every morning, and entered it, he got a bit of a thrill. I share that sentiment. It has been a privilege for me to represent my area in this Parliament, and I am grateful to lots of people, including not only my office staff, but the staff of the House. The House is a very fraternal institution. It might not look like it from the outside, but people are always ready to help others. The attendants, police, and the staff in the Tea Rooms, are always very welcoming and warm. I will miss that.

I will also miss the Treasury Committee staff. When I give speeches in the City and elsewhere, it is clear that people think that the Committee is a Department serviced by an awful lot of people. In fact, there are only six people involved, together with three economists. We seem to have done a bit of a David and Goliath exercise, and kidded people that we are the equivalent of a Department of State. The effort that the staff have made over the nine years that I have been on the Committee has been enormous.

I also want to pay tribute to all my Committee colleagues, particularly the hon. Member for Sevenoaks (Mr. Fallon), who has been the Chairman of the Sub-Committee. I see other Members here who have also been part of the Committee. We have always made it our business to take the evidence and to produce unanimous reports. The unanimity of those reports has given out a profound message and helped to inform the debate here. I hope that it has also helped to build a bridge to the public, to help us to ensure that public engagement is restored. The past nine years have been the most fruitful years in my parliamentary career.

Lastly, I would like to thank my family and my constituents, who have supported me consistently for 23 years. Some people have asked me why I am giving up now. I remember that when Terry Wogan left Radio 2, he said, "I'm giving up now because we're still in love and the music is still playing." Well, the music is still playing for me. I wish everyone who is going to be part of the next Parliament every success in rebuilding trust and confidence in this institution, which is the bulwark of our democracy.

2.21 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): It is a great privilege to follow the right hon. Member for West Dunbartonshire (John McFall), who has played a distinguished role in our economic debates over the years. I wish him well in his retirement. His contributions will be long remembered here.

The Prime Minister—both as Prime Minister and as Chancellor of the Exchequer—has always believed that words were a substitute for reality. He believed that simply by repeating his commitment to prudence, he could distract people's attention from his practice of imprudence, which involved building up the largest unsustainable growth in expenditure that this country has experienced in many a long year. He believed that by repeating his assertion that he had abolished boom and bust, he could make us think that he had done so, until the reality exposed him and burst his credibility.

Now, the Prime Minister asserts that the problems are all global, and tries to convince us that he had no part in the problems and could have done nothing to mitigate or avoid them. However, two Anglo-Saxon

[Mr. Peter Lilley]

economies similar to our own—Canada and Australia—were prudent and did not go in for excessive boom. As a result, they avoided the rigours of the bust when the problems hit countries such as Canada's near neighbour. So, more could have been done in this country to mitigate and prevent the problems from which we are suffering, of which this Budget is a symptom. We could have avoided the present levels of non-employment, for example. The Government claim that the unemployment figures are encouraging, but they do not tell us how many people have withdrawn from the labour market because they are discouraged, and because there are no jobs available.

Ultimately, however, the problems that we face can be summed up by the size of the deficit that we face. The Chancellor has tried to convince us that because the forecast of £178 billion has come down to the current estimate of £167 billion, that would somehow make a significant difference to the scale of our concerns. But £167 billion is unprecedented. It cannot for an instant be tolerated, excused or minimised. There are only three ways to reduce the deficit. The first, and worst, is to raise taxes. The second, better, way is to cut spending. The best way is to encourage growth. Raising taxes might be unavoidable, but if we are elected to government, we will do all we can to avoid raising taxes.

By contrast, raising taxes is the first choice of the present Government. They have already put up taxes today, stealthily and with little mention, by an extra £19 billion, as my right hon. Friend the Leader of the Opposition pointed out. That is a burden that we have already had to pay. When the Prime Minister was asked what action he had taken to reduce the deficit, the three measures that he mentioned were all tax increases. That is this Government's instinct and their practice, and if they are returned to office we must fear that such measures will form the bulk of what they introduce. It is inevitable that they would be forced to introduce measures to reduce the deficit more quickly than they are now proposing, in rather unspecified ways.

Better than raising taxes is cutting expenditure. Indeed, even the Labour Chancellor recognises that large reductions in spending are required, even with the higher taxes that they are proposing and those that they have already introduced. The Institute for Fiscal Studies has pointed out that, on the Government's own projections, they are set to undo almost all the increases in expenditure that they introduced over the first 10 to 12 years of the Labour Government. The Prime Minister is a "Duke of York" leader, who marches his party, and the country, up to the top of the hill with massive and unsustainable increases in spending, then marches us down again, while undoing them. It is small wonder that he has not spelled out in detail any proposals in a spending review. That has been postponed until beyond the election, because it would be the ultimate confession of failure if he were to spell out in detail what he needs to do.

Anne Main (St. Albans) (Con): Does my right hon. Friend agree with the businesses of St. Albans that as the Prime Minister was not a very good Chancellor in the good times, they have much more to fear in the bad times? He was very business-unfriendly in the good times, and they are fearful for their businesses now that there may be bad times ahead.

Mr. Lilley: My hon. Friend is absolutely right. Many of the businesses in her constituency employ people who live in my constituency, and they share the view that she has just expressed.

If we are to cut spending, we must try to do so without cutting services. That goes without saying. There is huge scope for doing that. If the public sector had matched the productivity increases of the private sector, rather than undergoing a productivity decline, much of what is required to get the deficit down would simply not be necessary. In short, the failure to achieve efficiency in the public sector is the cause of the problem, and the reason why there is now scope for making savings without making cuts in services. The Labour Government are prepared to tolerate waste and inefficiency, and they place no requirement on the public sector to match or emulate the constant improvements in productivity that are required in the private sector. That provides the problem, as well as the scope for reducing it.

We want to get on with the job. We do not want the savage cuts that the leader of the Liberal Democrats was calling for—although he seems to have resiled from that position recently. We want to get on with the job, because the sooner we tackle the problem, the less painful it will be. It is just like tackling an illness: the sooner we start to treat it with antibiotics, the less likely we are to have to resort to surgery. The sooner we start to cut the deficit, the less painful it will be. Departments would be able to rely on freezing recruitment, rather than introducing redundancies. If redundancies were necessary, they could be voluntary rather than compulsory. Starting the process now would be less painful than having it forced upon us after the election, without preparation. Another Labour Government would be forced to start that process, were they returned to office.

We do not believe that starting to take these measures would destroy the recovery. Nor, of course, did the Government, as the Institute of Directors has pointed out. A Treasury document from back in 2003 said that there could be such as thing as an "expansionary fiscal contraction"—reducing the deficit with expansionary effect. It said that such a contraction

"is most likely when a country is facing a critical fiscal situation and takes strong action by cutting unproductive spending, and this is accompanied by further structural reform and an exchange rate depreciation."

In precisely the circumstances we are now in, a reduction in the deficit is likely to have an expansionary effect through restoring confidence, releasing resources and enabling one to take a more relaxed monetary policy than would otherwise be the case.

The best solution to our problems is the restoration of growth. Growing economic activity, with growing tax revenues and reduced unemployment, must be the best way to eliminate a large part of the deficit, but restoring economic growth depends on three things. It depends on confidence, it depends on cash, and it depends on a competitive exchange rate. I believe that the process of getting on with tackling the deficit will itself have a positive effect on confidence, as it did in previous recessions when we finally began to tackle the problem. A new Government will help restore confidence in the economy, too, as people see that those who got us into the problem are no longer being relied on to get us out of it.

As for more cash, people talk about the Government reducing their spending and taking cash out of the economy. What puts cash into the economy is banks lending more than they receive back in repayment. That is what creates cash in a modern economy. If we are to have a growing economy, we must have a growing money supply—not outstripping the growth of the economy, but growing in line with it and with its potential. We are not seeing that at present. We have seen the banks taking back more money than they are lending out, and we have seen a reduction and a tendency for the money supply and the economy to decline. We want to see the Government ensuring that the money supply grows in line with the underlying capacity of the economy. It can do so by quantitative easing. If it does, I hope it will do so more by ensuring that such easing takes place through dealing with private sector rather than public sector liabilities—exchanging them for cash and getting that cash straight into the private sector. That must be done.

The final element is a competitive exchange rate. That, thank heavens, we have. We have it solely because we were wise enough not to enter the euro area, so we have a more competitive exchange rate than we otherwise would have had. That gives us an opportunity, not a certainty. It is vital that we take that opportunity and create conditions of which our businesses can take advantage. I believe that we will be in that happy position only if we get rid of the Government who got us into this problem and replace them with a Government who have competence, confidence and the commitment to getting our problems under control as soon as possible.

2.33 pm

Sir Stuart Bell (Middlesbrough) (Lab): I am grateful to be called so early in the debate, and to follow the right hon. Member for Hitchin and Harpenden (Mr. Lilley). He was talking about the imbalance between services and manufacturing in our economy, which developed over many years. In fact, I believe it has developed over about 30 years. We must not underrate what manufacturing industry does for our country, employing about 2.6 million people in the UK. In 2007 it accounted for 12.5 per cent., or £154.9 billion, of our national economic output. I was very pleased to hear from the Chancellor today about a number of measures to help our industry and to help the small and medium-sized business sector.

I think that even the right hon. Member for Hitchin and Harpenden would agree that we are living, and have lived, through a worldwide recession. Although it is perfectly normal and natural for him to blame that on the Government, all Governments in the industrialised western world of whatever colour or political persuasion followed the same route. That applies to Germany, France, Spain, Italy and any other such country. It was the only route to save the nation. Everyone knows that.

The Leader of the Opposition talked about the worst recession since 1945. He had to be reminded, as he was by the Chancellor, that the recession did not become a depression. When we talk about unemployment, we recall all the forecasts and statistics suggesting that it would rise to 3 million, but that never happened. The measures that we took to reach the economic situation today have kept this nation on an even keel.

The right hon. Member for Hitchin and Harpenden made a fuss about the debt standing at £167 billion. The Chancellor said, however, that revenues from Her Majesty's Revenue and Customs have brought it down to £163 billion. It is very high; we accept that. It is, to use a phrase used by a Conservative Chancellor in another context, a "price well worth paying" to save the nation from what would have been a very serious depression.

The right hon. Gentleman also mentioned cutting public expenditure. We fully understand that this is a basic element of Conservative policy. Margaret Thatcher—now Lady Thatcher—did precisely that in 1979: she reduced public expenditure and she reduced the public services. The right hon. Gentleman needs to explain to me how he can cut public expenditure without cutting services. Of course, he draws a distinction in respect of front-line services, but the fact is that the Conservative party policy is to cut public expenditure and to balance the books. We understand that; it is the philosophy that Conservatives have.

If we really want to understand Conservative party philosophy, we can look across to the United States and the Republican party, which has fought tooth and nail to prevent a national health service of some description from taking its place in their country and economy. That is a remarkable fact; it is what the Republican party stands for. In our country, it is the Conservative party that stands for balancing the books. The phrase is often used; it is perfectly normal and natural, but it is also a policy, and it will have consequences.

I agree with the right hon. Gentleman when he says that his party will not go down the route of the savage cuts suggested by the Liberal party—the £15 billion-worth of cuts they have promised us if they were in government, which would have an extraordinary impact on the British economy.

Mr. Ian Taylor (Esher and Walton) (Con): I am trying to follow the hon. Gentleman's argument. There is no disagreement between the two main parties that cuts are going to have to come, so the matter is purely a question of timing. The hon. Gentleman's argument is effectively that the Labour Government, if they were to remain in power, would also have to cut services.

Sir Stuart Bell: I am grateful for the hon. Gentleman's intervention, but the Chancellor of the Exchequer has laid down a policy of deficit reduction over four years up to 2014. *[Interruption.]* Well, there is a balance in the economy. We have talked about growth, and the right hon. Member for Hitchin and Harpenden talked about growth, cuts and taxation, so there is a balance. There will be a review of public expenditure a little later on in the year.

If one wants to argue the toss about what cuts we might make, I can tell the right hon. Gentleman and the House that we would not cut the work of public sector workers in health, education, social services or local government. All those people serve the community; they are not simply public sector workers for the sake of it; they serve our community and they help the disadvantaged in our communities, trying to get them into work.

There is a balance between public and private sector, but the Conservative balance is not a real balance, as it is biased towards cuts. When we hear it said that they must "start tackling the problem", does that mean an emergency Budget, in the unlikely event of a Conservative

[Sir Stuart Bell]

Government? Conservative Members nod their heads. Will it mean emergency taxes as well as an emergency Budget being imposed on our public sector workers, destabilising our economy? Is that what the Conservative party promises? We will take that message to the country. Which of our public sector workers—our health, education, social services and local government workers—will lose their jobs? If there were to be a Conservative Government and an emergency Budget, those people should be told—and we will tell the nation.

Stewart Hosie (Dundee, East) (SNP): Will we not also be able to tell the nation, quite clearly, that the Chancellor was explicit about the £57 billion reduction in the economy that would take place in 2013, one third or so through tax rises and two thirds—about £40 billion—through cuts? Will we not be able to confirm to the same public sector workers that the Labour party is intent on making the same cuts? The hon. Gentleman's arguments simply do not add up.

Sir Stuart Bell: I can tell the hon. Gentleman that there is not the slightest prospect of a Labour Government in the future adopting the policies proposed by the Conservative party. We believe that a deficit reduction over a period will give this nation state a financial soft landing. What the Conservatives promise us—they do not offer it—is a hard landing for the economy and for those in work.

Conservative Members can take their campaign to the country. We too will take it to the country. The Conservatives will send to the country—those who are in the Chamber are nodding—an emergency Budget and emergency cuts, and we shall see unemployment rise. I shall come later to the point made by my right hon. Friend the Member for West Dunbartonshire (John McFall), but that is what is being offered in this Budget debate.

Greg Mulholland (Leeds, North-West) (LD): I do not think I am the only Member present who is a little confused by the hon. Gentleman's argument. Surely the point is that we need honesty in this election as never before. All the parties must say how they will reduce the deficit. The Liberal Democrats have clearly set out their plan for the next five years, and we must be honest about the fact that it will involve cuts. The question is where the cuts will be made, not if or when they will come.

Sir Stuart Bell: I will follow the argument of the right hon. Member for Hitchin and Harpenden. The economy requires growth, it requires reductions in public expenditure, and it may require taxes. It is a question of balance. It is not a question of an emergency Budget which says, "We're now going to cut public expenditure, and we're going to make people in the public sector unemployed. That is our recipe, and you'll take the medicine."

Mr. Michael Jack (Fylde) (Con): Is the hon. Gentleman aware that the Department for Environment, Food and Rural Affairs has already taken some £320 million out of its operating budget, and is now employing some 1,500 fewer people? Yet DEFRA would claim that its outputs have been sustained. This is called "improved productivity". Does the hon. Gentleman accept that fact?

Sir Stuart Bell: What I accept as a fact is the statement made by the Chancellor of the Exchequer that we shall be looking for efficiency savings. That is what the Chancellor said in his Budget speech, and that is what we accept.

The right hon. Gentleman reflects Conservative party policy, and I salute him for that. Conservative party policy is to cut. It is to go back to 1979 and Lady Thatcher, who said as Prime Minister, "I will cut," and that is what she did. I shall be happy—and I am sure that the country will be happy, and that my Labour party will be happy—if we spend a great deal of time establishing what the Conservative cuts will be, and I would be grateful to Conservative Members if we could establish that. I would like to move on, Mr. Deputy Speaker, but I shall be quite happy to go on answering their questions.

Mr. Mark Hoban (Fareham) (Con): I wonder whether the hon. Gentleman has read the Government's Red Book.

Sir Stuart Bell: No.

Mr. Hoban: Paragraph 2.57 states that the Government will reduce spending by £38 billion. Will all that come from efficiency savings?

Sir Stuart Bell: If I may say so, it is a bit offensive for the hon. Gentleman, in this House of Commons, to read from a Red Book—which I assume is the Red Book containing this Budget—and expect me to have read it, given that I have been sitting here since 11 am and the document has only just been made public.

Let us return to the point. Yes, there will be a reduction in public expenditure. The Chancellor has said it, and the Prime Minister has said it, but we have used the phrase "efficiency savings". We are not going to cut in the way that the Conservative party promises—not offers—to cut, and that is the message that we will take to the country. I will ask every public sector worker in my constituency, "Do you think your job is safe under a Conservative Government?" You will find, Mr. Deputy Speaker, a battleground there, and I will wager that you will be surprised by the result.

Stewart Hosie: I agree with the hon. Gentleman that it is unfair to expect him to have read the Red Book. He will, of course, be aware of what was said by a junior Treasury Minister—the Exchequer Secretary to the Treasury, the hon. Member for Portsmouth, North (Sarah McCarthy-Fry)—on 5 January, which is some time ago. She said:

> "The Government have made it clear that reducing spending accounts for two thirds of the action the Government are taking to reduce the deficit following the crisis-measures that will reduce the deficit by £57 billion in 2013-14." *[Official Report*, 5 January 2010; Vol. 503, c. 126.*]*

Is it not time for the hon. Gentleman to come clean and concede that there will be £40 billion of cuts in a single year in 2013-14, and the Labour party is at it?

Sir Stuart Bell: I do not think it is necessary to refer to a speech made by a junior Treasury Minister on 5 January, because the Chancellor of the Exchequer said exactly the same today. He said that in 2012-13 there would be £57 billion less in the economy than

there is now. The point is – it is difficult for me to labour it sufficiently – that that position will be reached by means of a variety of measures. It could be reached through the efficiency savings that have already been mentioned, and, as the right hon. Member for Hitchin and Harpenden said, it could even be reached through taxation. What we do not promise is what the Conservatives promise: cuts which will affect public services.

I should like now – with your leave, Mr. Deputy Speaker – to return to the subject of the Budget. At the beginning of his statement, the Chancellor of the Exchequer pointed out – this has not been quoted by the Conservatives, or, I believe, by the Liberal Democrats – that we have lived through a global recession. We have lived through a repeat of the 1930s. We did not do the same as we did in the 1930s, however. We did not let 12,000 banks go to the wall. We saved them, and put money into them. We introduced quantitative easing, which saved the banks. We did not go from a recession to a depression; we avoided that. We did not even reach the 3 million unemployment figure that was forecast – with some joy, I have to say. We have steadied the economy, as other nation states have done. Of course we need banking reform, but it must take place on an international basis. It is not possible for one country to introduce it without taking the rest of the group of 20 with it.

Incidentally, while we are throwing figures around the Chamber, why do we not cite what the Chancellor said about the £8 billion that came back to the Bank of England? Why do we not talk about the great success of the car scrappage deal? Last year, we were arguing about it. I have a copy of the speech that I made last year, and I will say very clearly what I said last year.

"In one car dealership in Middlesbrough alone – Jennings of Middlesbrough – there are 470 people who work there, and throughout the north-east. It invests in the latest equipment and it services and maintains our cars and vans. This helps to make our small and medium-sized enterprises viable. Anything that helps such businesses to continue, including the scrappage deal, is welcome. I predict"

– we can be prophets with honour in our own country –

"that while it is available, it will have the same impact as the similar schemes in France and Germany, and that the 30 per cent. loss of sales by car dealers will be rectified. We should not overlook the fact that our car dealerships play their part in the local community. They are, for example, investors in local charities. This will be a welcome proposal for them." [*Official Report*, 22 April 2009; Vol. 491, c. 290.]

The Chancellor of the Exchequer confirmed today that car sales had increased by 30 per cent.

Barry Gardiner: Does my hon. Friend agree that it would have been better for the car scrappage scheme to focus on making the money available only to those who bought more fuel-efficient cars, rather than enabling them to trade up and buy bigger engines with greater cubic centimetre capacity which polluted more?

Sir Stuart Bell: That concept might well have produced a better scheme, but the fact remains that the scrappage scheme saved our car dealers and our car industry. Sales increased by 30 per cent. There are all sorts of fuel efficiency measures in London. I have to congratulate the Mayor of London on his biodiesel scheme, which enables people to avoid the congestion charge. But, of course, everything can be refined and improved.

I would have loved to spend much more time dealing with the speeches of the Leader of the Opposition and the leader of the Liberal Democrats. They both reminded me of a business man who wishes to take over a football club. He is very successful in his business. That business man goes into the football club. He leaves his acumen at the gates, and he enters a world of total unreality: everything is unreal and bizarre. The team end up being relegated, however, and that unreality is replaced by a fast-moving reality.

The Leader of the Opposition's speech was totally nonsensical: it had no meaning, and it made no sense, because it was written before the event. It was meant to please those sat behind him, and to get a cheer and a wave, but it had no significance to the national economy. I must add that the leader of the Liberal party's speech was no better, and I draw that comparison because both of them get carried away by the media. They think that catching the headlines for the 10 o'clock or 9 o'clock news makes a policy, but that is not the case. We will make sure that we fight the coming general election on principles and policies, not personalities and press statements, and I was therefore disappointed by both party leaders' statements.

Although my right hon. Friend the Member for West Dunbartonshire is not in his place, I want to congratulate him: he has toiled for many years in his role as Chairman of the Treasury Committee, and he has rendered contributions of great significance to our economic debates and made some very fine remarks on the subject. I suppose, however, that after nine or so years in that post it is understandable if he has become a little conventional in his thinking, and whereas he said that we have to satisfy the markets, in fact we do that quite ably. Our last Treasury bond issue was oversubscribed. The markets have full confidence in our economy, and our ratings have not been downgraded. We are not Greece. When addressing a youthful audience, the Leader of the Opposition made the following aside: "We are now on the same level as Greece." That is not the case, however. Such false arguments are made because it is easy to catch the headlines with them, but that is not a policy. The ratings agencies support our economy and the Government's measures, and they have, in fact, maintained the ratings that we as a sovereign state have had for many years.

Mr. Andrew Tyrie (Chichester) (Con): Is the hon. Gentleman aware that the sum total of this year's bond issue almost exactly matches the amount that has been bought in quantitative easing by the Bank of England? Does he not therefore understand that this huge increase in the deficit has so far been absorbed, because on one day the bonds are sold in Eastcheap and on the following day they are picked up by the Bank of England in Threadneedle street?

Sir Stuart Bell: And the economy moves ever onwards. The economy moves: people buy, people sell; people borrow. So what is the hon. Gentleman complaining about?

Mr. Tyrie: I hope that the hon. Gentleman understands that this is the world of funny money and this programme of buying back our own debt cannot last, and that although it was necessary at the time when it was initially implemented, as soon as the economy stabilises,

[Mr. Tyrie]

which it is doing now, the programme will have to be stopped or even reversed and that would be hugely costly for a generation to come.

Sir Stuart Bell: That is another wild and woolly forecast far removed from reality from the Conservative Benches. We are talking about a nation state. The Chancellor made the point that we are the fourth largest economy in the world. We are not a tin-pot economy, therefore. The hon. Gentleman talks of funny money. His party colleague, the right hon. Member for Hitchin and Harpenden, mentioned quantitative easing. They should get together and try to work out what they are talking about. With a general election coming up, it is important that the Conservatives get their act together but, unfortunately, that is not happening.

My right hon. Friend the Member for West Dunbartonshire mentioned the private and public sectors, and he correctly said that if the policy is not right, it leads to unemployment. That was the great scourge of the '30s, and we have sought to avoid it. That is why unemployment is coming down. That is also why, unlike the French economy, we do not have a 10 per cent. unemployment rate. The French have had such a rate for years, and it has caused many severe ructions in their economy.

My right hon. Friend also mentioned youth unemployment. We have done all we can over the years; we even introduced the national minimum wage for employed youth in order to get people into work. I am making an important point, but Conservative Members do not seem to get it. They have completely lost touch with reality, and they do not understand that destabilising the economy leads to unemployment, and that is not a price worth paying in this time.

May I now return to the speech that I wished to make in the interests of my constituents, on the basis of what the Chancellor has said? A long time has passed since the good news was brought from Ghent to Aix, as Robert Browning said in his great poem. Browning did not say what the good news was, and I leave that to historians.

Mr. Lilley: It was a new Conservative Government.

Sir Stuart Bell: I thought it was the battle of Blenheim. Regardless of what Browning's good news was, however, there most assuredly is good news on the Teesside scene, and also the national scene and economy.

On the national scene—I am glad the hon. Member for Dundee, East (Stewart Hosie) is in his place because as a Scottish Member of Parliament this will be of great interest to him—Total SA has announced a £2.5 billion development investment in the North sea west of the Shetlands. This will be a strategic development of two new gas fields—Laggan and Tormor—lying in 600 metres of water in the harshest environment in the United Kingdom, and the fields will be developed using the latest technology. The fields contain more than 1 trillion cubic feet of gas, plus some condensates, equating to about 230 million barrels of oil equivalent. This will create 117 jobs a year in the Shetlands over the lifetime of the project, and some 2,200 jobs in Scotland. The fields will be able to provide the nation with 20 per cent. of its gas when they come on stream, and the fields themselves represent some 17 per cent. of the nation's gas reserves. As the Prime Minister said in today's Question Time, the investment has been helped by the Chancellor's decision to provide up to £160 million-worth of tax relief for each gas field that qualifies for the support. As the Chancellor of the Exchequer has said, the Government recognise the importance of the United Kingdom oil and gas industry to our economy and the dependable foundation it provides for the nation's energy security.

The goods news, however, has gone further than from Ghent to Aix. Yesterday, Total announced that it has passed to Corus a letter of award for the gas pipelines that will link the gas fields with the mainland. The contract will be worth nearly £200 million. It will involve building 350 km of pipelines, safeguard 250 jobs at the Corus Hartlepool mill and add a further 100 jobs for up to a year. The order was won against strong global competition, but it shall be the Corus world-class, large diameter Hartlepool pipe facility that will manufacture the pipes, thus securing jobs, and creating new ones, on Teesside. Also, £200 million of orders shall be added, and there is the £60 million Tees valley industrial programme, put together by the Government in recognition of the need to accelerate industrial transition and seize new opportunities in low-carbon and advanced manufacturing in the area.

It is estimated that the two-year Tees valley industrial programme will create 3,000 new jobs in the short to medium term and sustain over 10,000 jobs in the long term. The Tees valley industrial programme builds on One North East's existing £130 million investment in business, support and skills in the Tees valley to run from 2009 to 2012. In the last 10 days, One North East and its partners have unveiled the first of a number of investments via the £60 million programme to support engineering apprenticeships in the Tees valley, help workers with business start-up opportunities and help businesses in the Tees valley to be more energy-efficient. These investments alone amount to about £10 million.

The mothballing of the Teesside cast products blast furnace is a sad blow to Teesside, an industrial cradle that has seen over many years the obliteration of its shipbuilding and module yards, and the destruction of the coal industry in neighbouring Durham—and now a further diminution in steel production. However, as Corus Steel Tubes in Hartlepool testifies, the industry is not entirely extinct. The more the steel market returns, with the help of the £200 million contract from Total, the more likely it is that the blast furnace will be de-mothballed.

I am always averse to waving documents in the Chamber, but I yield to an American habit that has developed over the years. I would like to show hon. Members a magazine—*[Interruption.]* You shake your head, Mr. Deputy Speaker, so my little moment of glory is—

Mr. Deputy Speaker (Sir Michael Lord): Order. I do not know about yielding to American habits in this House, but visual aids are certainly discouraged.

Sir Stuart Bell: I am grateful to you, Mr. Deputy Speaker, although I managed to get my little flash in before you rose to your feet.

I would like to draw the House's attention to "Vision", a supplement of the Middlesbrough *Evening Gazette*, which describes

"how Teesside's iron fist could forge a new beginning."

"Vision" is also published with *The Journal* in Newcastle, and it gives the same message of optimism for two industrial areas that have lost nothing in their vibrancy, their determination or their work ethic, notwithstanding the global recession. Earlier I mentioned low-carbon and advanced manufacturing. Teesside fully intends to take advantage of the low-carbon sector, because the Tees valley is well placed to do so. It has its port lands, both at Teesport and Victoria harbour in Hartlepool—lands attached to the Corus plant. There are also offshore wind farms and biofuels, while in the Tees valley there are already facilities to capture carbon dioxide and store it under the North sea, with possible links to assisting the oil and gas sector.

However, in addition to developing a low-carbon economy, the Tees valley, and Middlesbrough in particular, is leading in other sectors that will hopefully assist the long-term future of the economy, and specifically in the digital-creative sector. Middlesbrough council, in partnership with Teesside university, has developed Digital City, building on the university's burgeoning reputation in computer sciences, to retain graduates in the town and create policies and graduate businesses in the sector. In short, the mothballing of the blast furnace at Redcar might cast a deep and long shadow, but if one combines the £60 million investment programme with the original £130 million investment from One North East for 2009 to 2012, along with the £200 million pipeline contract, we can see £390 million of investment flowing into Teesside. I agree with my *Evening Gazette* that Teesside's iron fist could forge a new beginning.

Lest it be thought that the private sector was excluded—I welcome the Chancellor's statements today about small and medium-sized businesses, as well as the various measures that he is taking—I should say that local entrepreneurs have a considerable track record on Teesside, having created the Wynyard business park, which has attracted 58 new businesses and £250 million of private investment, creating 1,200 jobs in the past few years. The Secretary of State for Health recently confirmed the creation of a new £464 million state-of-the-art hospital on the site to service the communities of Stockton and Hartlepool.

What we need, and what we are getting on Teesside, is a new start—a fresh start, for the people and for industry, for our future. It is good to go down memory lane—even I can tickle the fancy of the Conservatives by going back to 1979 and the noble Lady Thatcher cutting public expenditure—as long as one does not stay there. It is good to look at the past, with its heritage, but it is more important to look to the future, with its hope, and to do so with a determination and focus built on skills, a work ethic and fraternity within society. We have seen many things on Teesside, but it builds itself again and renews itself again, and it will continue to do so. It is incumbent on us all in the area to show leadership, work together, unite among ourselves and unite our community so that all will gain individually, and society will also gain.

Let me end on the Budget, which is most important to Teesside and the people who live and work there. It is, of course, the final Budget of this Government—there will be a general election before another Budget—but it is also a parameter-setting Budget. It will give the community, who study the Budget carefully, hope in their future—hope under a Labour Government. Given the response of the Conservatives, the Budget will also let the community see through the shallowness of Conservative policy and, on many occasions, the idiocy of Conservative policies. When it comes to the vote, those on the Opposition Benches will find, probably to their dismay, that they will still be there after the next election.

3.5 pm

Mr. John Redwood (Wokingham) (Con): I remind the House that I have declared in the Register of Members' Financial Interests that I provide business advice to an industrial group and an investment management company.

This was the go nowhere Budget—it was almost the do nothing Budget. It was also the dither and fiddle Budget. I sometimes think that Ministers have still not understood how big an economy they are seeking to influence and how much money and resources they command, now that about half the entire national income goes through the public accounts under their mismanagement. It is, for their information, a £1.4 trillion economy. This Budget provides, on their scoring, a stimulus of £1.4 billion for the first year and a small reduction in the amount of resource available from the public sector in the following two years. Even at the peak of the Chancellor's proposed intervention this year, therefore, he is playing with 0.1 per cent. of the national income, so we can immediately see that this Budget is not serious. It is not trying to change anything real in this nearly moribund economy, nor is it trying to do anything big to stimulate growth or recovery.

Stewart Hosie: Have the Government's horizons not shrunk even further, if one considers that the total managed expenditure for 2010-11 is £2.7 billion off what they forecast even in the pre-Budget report late last year?

Mr. Redwood: The hon. Gentleman is quite right.

I also agree with the hon. Member for Middlesbrough (Sir Stuart Bell) when he rather kindly said that he saw the Leader of the Opposition as a new manager coming in to take over an ailing football club. He was absolutely right that the UK Government football club, under its current management, has slipped down several divisions and is facing further relegation. He is absolutely right that there are no star players who can win matches. He is also absolutely right that the wage bill is bloated and gross, and that the club is facing bankruptcy. Indeed, the club has all the conditions, which the hon. Gentleman perhaps did not have in mind, for better and new management.

Sir Stuart Bell: And what will the right hon. Gentleman say when the club is relegated?

Mr. Redwood: What we need is new management to stop further relegation. The hon. Gentleman should understand how far this country has already been relegated, as my right hon. Friend the Leader of the Opposition said in his passionate and eloquent speech today, when he pointed out that a country that was fourth in the world for competitiveness—which means more jobs,

[Mr. Redwood]

more exports and more ability to make a decent living—has managed to sink to 84th in the world under this Government, with their too many taxes and their too many regulations.

To understand why our economy has suffered so badly and is not growing rapidly, we have to understand the nature of the national and public finances created by the disastrous mismanagement of this Government. It is now easiest to understand the national finances as being two rather large banks, under Government control and with substantial Government shareholdings, with a medium-sized Government attached. That is because the two banks that the Government partly or wholly nationalised are considerably bigger than the national income—or they were when they took them over—and we need to understand what is happening in those banks in order to understand the background to the Budget, what is happening in the national finances and why the recovery is so sluggish. Unbelievably, the Government proclaim that they have created sustainable and stabilised banking, in the Chancellor's words, but in fact they have done exactly the opposite, by their blundering into owning so many bank shares and their inability to manage those banks properly.

Over the past year, to December 2009, the Royal Bank of Scotland slimmed its balance sheet by £700 billion. When it was taken over by the state, RBS started with a balance sheet of £2.2 trillion, or one and a half times the national income. However, at the end of last year that had fallen to £1.5 trillion only, just a little over the national income. When I asked the Prime Minister about that recently in Prime Minister's questions, he seemed to be completely unaware of that fact. One would have thought that it was the dominant economic fact that might concern him and his colleagues. At a time when they say they want growth and expansion, their bank—the bank they took over and they say they have stabilised—has shrunk its balance sheet by £700 billion, or by the same amount as total public spending in the year.

Of course, the bank shrunk assets and liabilities and was reducing risk. Of course, some of that had to take place. Some of it involved withdrawing loans in overseas economies and not in the British economy, because RBS is a global bank. I put it to the Chancellor and to his representative, the Financial Secretary to the Treasury, who is left to hear the debate, that they will not have a vigorous and strong recovery if the biggest bank in the country, under regulatory and ministerial instructions, is all the time slimming its balance sheet that rapidly. Although a lot of that slimming took place through instruments other than loans and although some of it was not in the UK, all of it is withdrawing liquidity, risk management and financial instruments primarily from the business sector, which is bound to have an impact.

To reinforce that process, Lloyds bank was doing something similar on a more modest scale. Lloyds was a £1.1 trillion bank and by the end of last year it had fallen to a £1 trillion bank—it had taken £100 billion out. Between the two banks that the Government owned, £800 billion was withdrawn. We know from the corporate plan and from the remarks of the chief executive of RBS—approved by the Government, who are the principal owners—that another £300 billion will be taken out of the balance sheet of RBS over the current year. Again, I put it to the Government that if that is the plan, although it might make business sense—I presume that the aim is to turn the thing round into a profit-making bank by getting rid of risk—it is not good news for the British corporate sector trying to use RBS as well as Lloyds. It will make it almost impossible to meet these ministerial exhortations and targets to increase lending.

The Lloyds reduction of £100 billion was more damaging in a way, because Lloyds does rather more lending and has rather more assets in the UK relative to the size of its balance sheets, and £50 billion of the £100 billion Lloyds slimming was a reduction in loans. It does not tell us in the figures that I saw how many of those were outside the UK, but clearly quite a bit of it was UK lending. At the very time when the Government told us they had nationalised the bank to stabilise it and to allow it to lend money, it was doing the opposite and going through a severe restructuring that entailed lending less.

That is the fundamental reason why this economy is not going anywhere: the banks have been broken and they are being nursed back to health in a way that contracts rather than expands activity. I do not know why the Government cannot see that, although I can understand why they never want to talk about it. They pretend that they are not responsible for this £2.5 trillion of assets at risk and that it is somehow nothing to do with them, yet come the Budget they say, "We stabilised the banks. Job done—no problem. All is well."

Mr. Mark Todd (South Derbyshire) (Lab): I am intrigued by the right hon. Gentleman's analysis. I share some of his thoughts, but by extension I assume that he is suggesting that we should have a much more directive role in running RBS and Lloyds, and should perhaps seek to foster an underpricing of credit to the business sector. Is that what he is really thinking?

Mr. Redwood: I would be very happy to make a positive recommendation because I would like my country to recover quicker and for there to be more jobs and prosperity. I suggest that instead of mouthing the words "countercyclical regulation" but doing the opposite, the Government should try some countercyclical regulation. I and a few others were telling them in 2006-07 that everything was overheating and that they should have tightened the regulation of the banks. They did not; they made a big mistake. What we are now saying—those of us who have got the cycle right—is the opposite. They are now tightening too much at the bottom of the cycle. We must be somewhere near the bottom of the cycle—I hope that we are through the bottom of the cycle and have just begun to turn up. This is the point at which they should be relaxing the regulatory controls on cash and capital, particularly for the two nationalised banks, which nobody is going to worry about because they know they will just print whatever it takes to meet the obligations of those banks.

The regulator should be told to think countercyclically. The cash and capital controls should be relaxed at this stage of the cycle and tightened in a couple of years' time when the recovery is under way.

Mr. Todd: Perhaps the right hon. Gentleman could develop this point a little further and set out his view of our obligations to the shareholders who are not the taxpayer in the two institutions he is suggesting a direction for.

Mr. Redwood: I think our prime requirement in this House is to look after the interests of the taxpayers who have funded these banks and who are principal shareholders in them. Of course, in company law there are responsibilities to minority shareholders not to oppress them. What I have suggested is to change regulation of all banks so that it does not favour or target nationalised banks in particular. That would help the banks and would be in the interests of the minority shareholders, as well as the majority shareholders, because it would be permissive and would allow the banks to have bigger balance sheets for a bit, which would allow them to make more money. This contractionary impact on the balance sheet must be bad news for the shareholders. Of course, the banks need to be more prudent than they were in 2007-08, when the Government helped force them into difficulties, but making them super-prudent now is not serving the interests of recovery or the national economy.

We were told by the Chancellor in the Budget statement that we were not going to be losing any money on these banks and that they had been a very wise investment. That is not what the Red Book says. It points out, quite accurately, that there have been £60 billion of losses so far and that when it was written—presumably very recently—we were sitting on a £12 billion loss on the shares in RBS and Lloyds. That is double the loss on the early gold sales and confirms the Prime Minister's record as a rather bad investment manager, because he seems to sell at the wrong price and to buy at the wrong price.

Let us hope that we can work our way out of it, but there is no immediate sign of the Lloyds and RBS share prices getting to the point where they are not only above the taxpayers' purchase price, but sufficiently above it and sufficiently robust to accept dumping all those shares back on to the market to find willing buyers. If we look at these banks' profit and loss record, that is not at all surprising. Of course, since they have been under Government influence, we have had losses of £8 billion in 2008 and £2 billion in 2009 in RBS, and of £6.7 billion in 2008 and £6.3 billion in 2009 in Lloyds.

Again, we are not told this in any public statement by Ministers; we are not even told it properly in the Red Book. When we are the majority shareholder in RBS, those RBS losses are our losses. When we are the most important minority shareholder in Lloyds, a big chunk of those losses are our losses. Ministers should do rather better than just coming to the House and saying, "We have got these lovely bank shares and we are going to sell them one day at a profit." Lots of investment managers would like to be able to claim that about their worst investments, but what we need is proper analysis of what has gone wrong with those bank shares so far, how the Government think they will start making decent returns on capital, and how that might provide a background for getting some of the taxpayer's money back.

It was very fortunate for the Government that Lloyds decided to give an unusual interim update on its trading position very recently, before the Budget, and I believe it is giving another briefing today, at the very point at which we are debating the Budget. It would have been a courtesy to the House if Ministers had shared those very important statements with the House—both the one updating on profits, which was positive, and the one today, which I do not know about because I have been in the House listening to this debate. Given that we have such a huge financial interest on behalf of taxpayers in these banks, surely the Government should report to us in a detailed way on what is happening. It is a matter of great public interest. We are invited to debate £1.4 billion of petty cash, but we are not allowed to debate the changes worth hundreds of billions of pounds in the balance sheets of these very large banks.

The economy is not recovering at anything like the pace that any of us would want. Most private-sector forecasts say that the recovery will be very slow and drawn out. As my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) noted, Governments of both parties trying to get out of recession have cut public spending pretty early on, and that has fuelled and helped extra growth. That is what happened in the 1970s: a Government of the Labour disposition were reluctantly forced into cuts by international bodies, and that allowed growth to take place.

The same thing happened, winningly, in 1981 and 1992, when Conservative Governments realised that controlling the public-sector deficit was an important part of freeing resources, keeping interest rates down and creating more money in the private sector. It was literally from the day when the Government announced public expenditure controls that the economies at those dates took off. They grew far more positively on those three occasions than has been the case with the fitful recovery that started in the final quarter of last year.

The Government need to understand that they have a very serious problem that all their remedies are making worse. Taxing more undermines confidence: taxing rich and successful people more means that they go abroad, and taxing businesses more means that they work less hard, or that they close down in this country and take their activity elsewhere.

Ministers must know that this is happening. It is not a scare invented for the sake of the debate by someone who believes in free enterprise; it is what is actually happening in the £1.4 trillion economy that they are trying to influence. Ministers should get out more and understand what the threat to this country is.

The Government have racked up these enormous debts, and we have got into the incredible position where £1 of every £4 spent in the public sector is now borrowed, or borrowed and printed. As my hon. Friend the Member for Chichester (Mr. Tyrie) remarked, the printing has to stop some time. It may have stopped already; the Bank of England has certainly put it on pause.

When the markets believe that there will be no more printing, reality will come home and the impact will be very negative. The Government intend to borrow £150 billion or £200 billion, but the Red Book shows that this year's gross gilt issue amounted to £227 billion. That is because the Government have to refinance expiring debt as well as finance the extra debt being built up. When the markets realise that the Bank of England is no longer around to buy £200 billion or £227 billion of debt to help things on their way, people will want a lower price at a higher interest rate for lending money to the British Government.

[Mr. Redwood]

That is why we are so worried. If we allow that process to happen—as Greece, Ireland and Iceland did—the interest burden can spin out of control very quickly and become extremely expensive. The Red Book shows that interest on debt, at £43 billion in the current year, is already a more expensive programme than the defence budget, which is put at £40 billion. However, the cost of the debt interest will shoot way above that—first, because the debt is increasing too rapidly, and every extra bit of debt comes with an interest burden; and secondly, because the interest rate will rise if the Government do not do anything.

The hon. Member for Middlesbrough rightly said that we have not yet been through the embarrassment of a credit rating downgrade, and I hope that we do not go through that. Credit rating agencies know how difficult politics is, from their experiences through the crisis, and it would be very surprising if they decided to downgrade an important sovereign nation like Britain just ahead of a general election. That would clearly be a very political statement, and seen as such. However, the hon. Gentleman should not be too calm in thinking that everything is well, as the markets are downgrading British sovereign debt all the time. He must understand that we are paying 1 per cent., or 100 basis points, more than Germany to borrow money for the same length of time.

Why are we having to pay 1 per cent. more, and is it important? Yes, of course it is important, because 1 per cent. extra on 3 per cent. is a 33 per cent. extra charge on the cost of borrowing money. When one wants to borrow £150 billion—or £200 billion, £500 billion or £700 billion; whatever the total will be when it is all added up—the sums involved are absolutely colossal. In four years time, the defence budget will not be the one main budget smaller than the interest burden: much bigger budgets than that will be smaller than the interest burden, because compound arithmetic will catch up.

All previous recessions have ended when Governments have got a grip on the public finances. The Labour party is of course right to say that no one comes into politics to sack teachers and nurses and make hospitals worse. None of us on this side of the House has ever wanted that, and it is quite unfair to suggest that we do. However, the state employs 6 million people, and front-line teachers, nurses and doctors are only a very small minority. That means that we have to look at the whole panoply of the state's administration and bureaucracy, and that we have to discover ways to do more for less, as we are running out of money.

Sir Stuart Bell: I am listening to the right hon. Gentleman with great interest. He speaks with great fluency and knowledge, but when he talks about nurses, doctors and all those in the public-sector professions, he reminds me of the words of Oliver Cromwell when looking at the corpse of King Charles I. Cromwell said that what had happened had been a "cruel necessity": is that what the Conservatives are offering public-sector workers?

Mr. Redwood: I do wish the hon. Gentleman would try to follow the debate a little—he can do better than that. I had just made it clear that Conservative Members, like Labour Members, are proud of local hospitals and schools: they wish for them to be properly financed and do not wish to see a single nurse, teacher or doctor sacked for reasons of economy. That has always been true, and we never sacked teachers, nurses or doctors, whatever the hon. Gentleman may think.

Mr. Graham Stuart (Beverley and Holderness) (Con): My right hon. Friend is coming to the nub of the point on the debt. Our point about the debt is not just about fiscal or other balances, but the fact that if the finances of this country are undermined, future public services and the jobs of teachers, nurses and doctors are put at risk. It is precisely to ensure that we can deliver sustainable public services, particularly for an ageing population, that Conservatives are so obsessed with ensuring that we behave responsibly on finances. This is not because of our fascination with finance, but because of our commitment to public services. We know that irresponsibility such as the Government's leads to the very cuts that the hon. Member for Middlesbrough and we do not wish to see.

Mr. Redwood: I agree: a stitch in time saves nine. The policy of the hon. Member for Middlesbrough would take us in the direction that Greece followed. Instead of immediately making sensible adjustments to public spending that did not damage front-line services, that country ended up in a panic and a crisis. In the full glare of a market collapse, it had to put through hasty and perhaps ill-judged public spending reductions, probably on a bigger scale, because it was not prepared to take sensible action in advance.

The hon. Gentleman and the Government now believe that there are efficiency savings to be had, and that they can do more for less. I am glad that we have got to that point. For many years under this Government, the House was told that there were no efficiency gains to be had and that they were all will-o'-the-wisp proposals dreamt up by Conservatives; but now—at last—that is common ground. The good news is that incoming Ministers will find, in business terminology, lots of low-hanging fruit. There are many easy things to do to get more for less, because the public sector has not been through the kind of procedures and tests that the manufacturing sector in particular has been through in the past decade. Every year, manufacturing companies have to ask, "How can I get prices down and quality up? How can I serve my customers better and charge them less?" That is not impossible, but one must ask those questions to survive and have a successful and flourishing business in such a competitive business world.

It is now common ground that such things are achievable, but the public will judge who has their hearts in it more to deliver, and who is more likely to have the skills to do so. Not unreasonably, the public will ask, "Why have the Government been in office for 13 years and scattered all this money, often very wastefully, and not thought until now about treating efficiency and improvement seriously?"

Lynne Jones (Birmingham, Selly Oak) (Lab): If there are so many easy ways in which to save money, would the right hon. Gentleman like to tell us a few that he has in mind? Will the Conservatives be spelling out all the cuts that they intend to make, and if so, when?

Mr. Redwood: There are so many of them to suggest, but I do not want to take up the whole afternoon. I would certainly start with identity cards and regional

government, and the panoply of controls and restrictions placed on local councils, which create a bureaucracy in Whitehall and in each council. Many of the strategies, partnerships and those kinds of things are all bureaucracy and words. The Conservatives want to spend that money on the teachers in the schools and the nurses in the hospitals; we do not need such a vast army of people to deal with regional government and with instructions, monitoring and audit from one level of government to another. If the hon. Lady wishes to see more detail, she can find it in the economic policy review that I published for the Conservative party some time ago. She will find pages and pages of quangos to cull or slim, and areas of Government work that we do not need to do.

Things have simply got out of control. The Government have put 1 million extra public employees on the payroll, most of whom are not front-line workers. We welcome the ones who mean we get better schools and hospitals, but most are not in that category, and we need to look again at that. What do the Government need to do? If they were serious about value for money, they would have a comprehensive freeze on new recruits today, instead of advertising all those non-jobs in *The Guardian* every week. If they were serious about controlling public spending, they would understand that they have done the job of catch-up on public sector wages—indeed, those wages, on average, far surpass private sector wages—and so would impose the pay freeze today. Surely it is better to share the work around than to get into a position later where one has to sack people because one cannot afford the wage bill. If one takes on a football club where the wages are too high, it is better to keep some of the players on while one is looking around, but to pay them realistically because that wage bill is the reason why the thing is nearly bankrupt.

I fear that this is not a Budget that will be taken seriously. Most people who are looking at it know that it is a nowhere Budget from a dying Government, and they know that it contains no serious measures that are up to the task of pulling round this extremely damaged economy. More importantly, this Budget contains no measures to tackle the problem of damaged and difficult banks. If the Government really wanted an economic recovery, they would understand that the current imbalance between the public and private sectors—between the finance supplied to the public sector and the lack of finance supplied to the private sector—is their main problem. If they were serious about recovery, they would issue new instructions to the banks that they own. If they were serious about recovery, they would change the instructions through the banking regulator, because that is the main reason why we have gone from boom to bust.

This Government's epitaph will be that they were the Government of boom and bust. Their boom was created by incompetent banking regulation and their bust was created by even more incompetent banking regulation. They like to say that it is people like me favouring a more deregulated world in the 1980s that has caused their problems, but they should grow up and own up. They changed the entire financial regulation system in 1997 when they came into office. They heaped far more regulatory detail on to the banks and other financial companies over their 13 years in office. The problem was that it was all bureaucracy, bumf and box-ticking, and they missed exercising control of the main thing, which Conservative Governments had always controlled extremely well: we never had banks blowing up and going bust on our watch, because we had one very important set of strong regulations that controlled the banks' cash and capital at prudent levels.

The Government thought that they knew best with their regulators. They allowed them to expand the bank balance sheets massively in a way that some of us warned against and which was clearly imprudent. Unbelievably, having done that, the Government did exactly the opposite at the wrong point. They brought on the banking collapse and they brought on the recession because they switched from allowing the banks to have far too little cash and capital to demanding that the banks had far too much cash and capital for the circumstances of the time. Even worse—this is the biggest sin of all for a regulator in such a sensitive area—was that all this was done through the media, in public, so that the banks had no opportunity to sort themselves out over any reasonable time period because they were under the pressure that comes from the Government of the day telling the media and the public that the banks were nearly bust. There could not be a more perfect way of creating a violent cycle than that. We are now into punk-monetarism, money printing and an attempt to keep the public sector afloat with cheap money by creating it for the public sector's own uses. The other side of that coin has to be, I suppose, starving the private sector of money because that is not where the Government see their political interests lying.

If the public want to know why we have an extremely feeble recovery and a lot of worry about our economy, I can tell them that it is because the Government have completely mismanaged the banking cycle. If the public want to know the really big numbers that have mattered over the past year, they should look at what the Government have been doing to RBS and Lloyds—the Government's policies have been very contractionary. If the public want to know what we need for recovery, I can tell them—they will understand this—that it is sorting out the public sector to give us value while protecting what matters and it is providing more incentive to the private sector through less tax and less regulation, so that we can attract and retain businesses in this country in order to grow again.

We have got to earn our way out of this mess. We have got to work our way out of this mess. This Budget does not do enough for people of enterprise and people in business. It will fall to the lot of a Conservative Government to understand that, after this big a mess, a lot of stimulus and incentive will need to go into the private sector, because the private sector needs to earn a lot more to pay this Government's bills.

3.34 pm

Colin Burgon (Elmet) (Lab): May I preface my remarks by paying tribute to my right hon. Friend the Member for West Dunbartonshire (John McFall) and echoing his comments about the staff? Like him, I am standing down at the next election, and I should like to thank all the staff of the House of Commons, especially the ladies in the Tea Room. I hope that that will get me a few more chips the next time I go in.

I shall attempt to put the Budget into a wider political and economic context. The Chancellor made the point that we are not alone in our situation. The world is

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suffering the deepest recession since 1929-31, and tens of millions of lives are being affected all around the world. No country is immune to the shock waves that the capitalist system has generated. It is important to get our heads around the figures. In the UK, we have witnessed six quarters of economic decline, which is the longest period since records began, and the economy has contracted by more than 6 per cent. About 800,000 people are unemployed and—this is an important point—many more are being forced to take on part-time work or to take lower pay while working longer hours. At the end of last year, we saw what many hope will be the beginning of a recovery, with growth of 0.3 per cent. in the last quarter. That was a small step forward, but a step forward nevertheless. The Budget is important because the economic policies flagged up today and in the coming weeks could determine the scale and pace of the economic recovery—or, indeed, if there is to be a substantial recovery at all.

There are some key questions swimming around in the atmosphere. Will we now return to the path of sustained growth and see the past 18 months or so as just a blip—that is the business-as-usual school of thought—or will we enter a long period of anaemic growth, taking years to recover to pre-crisis levels of national income? That is roughly where the Japanese economy is. Worse still, could we face a double-dip recession with the economy plunging back into crisis?

The very real threat of undermining the fragile recovery that I have mentioned brings me to the policies that have been discussed in the House today. Time spent poring through the columns produced by all the talking heads who tell us about the economy shows that there are two ways of dealing with the downturn—broadly speaking, they are cuts versus investment. We have heard from the Leader of the Opposition about the need to make cuts to get the economy back on track. That, in short, is roughly where they are with their broad economic strategy. They are totally clear about the scale of cuts they want. The shadow Secretary of State for Business, Innovation and Skills has said that the Conservatives would be much tougher on public spending than "Margaret Thatcher ever was", but those policies would be devastating to the economy and to families across the country.

In my home city of Leeds, the public sector plays a significant role. I recently worked out the figures for a debate on my great city, so I know that there are more than 110,000 jobs in public services in the Leeds region. The Conservative plans for cuts in the public sector would hit those employees and their families hard, as people would lose their jobs. That is what we have to understand. We can talk high economics here, but I am really interested in the impact that those policies would have on ordinary people. Indeed, the potential for job losses goes further. A recent study showed that 64p of every £1 that public sector workers earn is spent in the local economy, so those cuts would hit areas of the wider Leeds economy that depend on spending by public sector employees. The idea that we can separate the public from the private is ridiculous. On top of all that, there would be the cost of paying benefits to those who were unemployed as a result of the cuts. A recent study showed that those costs would be about £16,000 per redundancy, so that policy would not be not easy or pain-free. I argue, as would millions of others, that it is unfair and perverse that the price for a crisis caused by bankers and the financial system should be paid by millions of ordinary people—nurses, teachers, pensioners or whatever—through public sector slash-and-burn policies.

Perhaps the Conservative party's desire to go down that road has something to do with the fact recently noted by my union, the GMB, that 63 of those selected by that party to stand at the forthcoming general election are drawn from the banking and finance industries. I am reminded of something said by President Roosevelt during his sixth fireside chat in 1934:

"Those, fortunately few in number, who are frightened by boldness and cowed by the necessity for making decisions, complain that all we have done is unnecessary and subject to great risks. Now that these people are coming out of their storm cellars, they forget that there ever was a storm."

I would add that those people have forgotten not only that there was a storm, but who actually caused it.

I take the view, which is common outside the Chamber, that it is unfair that ordinary people should pay for a crisis that they did not create. However, as well as being morally and politically wrong, a cuts agenda advocated by any party—even my own; I have a tendency to go off message—would be economically illiterate. That is not just my argument, because calls for immediate cuts in the economy have been met with a growing chorus of criticism by some of the world's leading economists. Those esteemed people warn that the cuts policy risks sending the economy back into recession, so they have called for the very opposite and stated that the fragile nature of the economy means that it is necessary to continue the fiscal stimulus.

A letter to the *Financial Times* on 18 February that was signed by Professor Stiglitz, the former World Bank chief economist and a winner of the Nobel prize for economics, along with another 60 economists, said that those who call for immediate cuts

"seek to frighten us with the present level of the deficit".

The letter went on to ask what would happen

"if implementing fierce spending cuts tips the economy back into recession".

Mr. Jack: I am listening to the hon. Gentleman's argument with care, but will he help me on one point? Is it not the case that in the early days of the Prime Minister's chancellorship, the expansion of employment in the public sector happened on the back of rising tax receipts, many of which came from the expanding financial sector and because of the success of the private economy? The public sector was therefore happy to accept the fruits of growth, and the hon. Gentleman's attempts to dissociate himself from the consequences of profligacy seem to fly in the face of reality.

Colin Burgon: I am not sure that I have always bought into that analysis, but I will try to deal with the state and structure of the British economy during my speech because it is central to the debate.

Another letter to the *Financial Times* on 18 February from a further group of respected economists said:

"History is littered with examples of premature withdrawal of the government stimulus, from the US in 1937 to Japan in 1997".

The Conservative party tries to justify its cuts agenda by talking about fear in the financial markets about the level of national debt but, interestingly, the letter continued:

"Britain's level of government debt is not out of control. The net debt relative to GDP is lower than the Group of Seven average, and on present government plans it will peak at 78 per cent. of annual GDP in 2014-15, and then fall. Even at its peak, the debt ratio will be lower than in the majority of peacetime years since 1815."

As well as the views of such economists, we have real-life examples from other countries that show how the cuts policy would damage our economy, why our Government were right to stimulate the economy last year to offset some of the worst effects of the recession, and why that should continue. Ireland gives us such an example because, interestingly, it has taken the route with which the cuts club is so enamoured by cutting back to restore confidence to the markets.

Even more interestingly, Opposition politicians have urged us to look and learn from across the Irish sea. What do we learn from the experiences of the Irish economy? As I argued in the House just before Christmas, the Fianna Fail-led Government in Ireland have been unique among the industrialised countries. In 2009, while virtually the whole world was busy implementing a variety of packages to stimulate the economy, Ireland was alone in implementing a series of deep cuts in Government spending. The lessons from that are clear: the savage cuts agenda has deepened the Irish recession, and Government finances have worsened as economic activity has slumped.

So the first priority should be to restore robust growth, which will not be achieved by cuts. What is the way forward? The key common factor in the economies that have suffered badly in this recession is that there has been a huge collapse in investment. In the UK, the fall in investment accounts for nearly £6 out of every £10 by which the economy has shrunk. This is because investment is mainly done by the private sector, and in the recession the private sector is not investing. Business investment was 24 per cent. lower at the end of 2009 than at the start, the worst annual decline since records began in 1967.

Without investment to generate demand and rebuild the economy, we will fall back into recession or be left with years of low growth. The way forward is clear. When the private sector will not invest, the Government must step in. We need to invest our way out of recession. For those who argue that this is not affordable, there is some good news. When the Government invest, that has a much wider impact on the economy, an impact much greater than the initial outlay. That, in economic jargon, is called the multiplier. What is more, the Government get taxes back on this wider economic growth, and the Treasury's own figures show that, if done properly, such investment pays for itself through higher tax takes.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): The hon. Gentleman and I were fellow teachers in Leeds, so I have much sympathy with many of the points that he makes about Leeds. Will he take into account the fact that—as documented by the Royal Society in its response to the Government's proposed cuts in investment in science, and as I am sure the right hon. Member for Wokingham (Mr. Redwood), who is no longer in his place, would agree—from 1980 onwards, wherever there is an investment by the Government, particularly in research and development, there is a correlation between that and the spend that comes from the private sector? In other words, provided the Government's investment is targeted and strategic, the private sector matches it. Is there not a danger that if we start to cut that investment, expecting the private sector to take over and accelerate, exactly the opposite will occur, resulting in a double whammy?

Colin Burgon: I share the hon. Gentleman's analysis. Indeed, we share a common analysis of the problems at Leeds United, but we had better not go there. It is interesting to see that we share that economic analysis as well.

As Joseph Stiglitz explained last month—this picks up perfectly on the hon. Gentleman's intervention—we need

"investments in technology, education and infrastructure . . . In short, more such spending will stimulate the economy and create jobs in the short run and promote growth and debt reduction in the long run."

So the most prestigious economist in the world argues against cuts and advises us instead to invest in modernising the economy as the best thing that we can do for growth and to pay off the deficit.

Making those investments would give us a chance to build a new economy, and in turn a new Britain, which the economic crisis has underlined is necessary. It would allow us to move away from the dangerous financialisation of our deeply unbalanced economy and away from the neo-liberal economics that have left such deep social scars over the past 30 years—the scars of greater inequality, a sense of vulnerability, and in the workplace a race to the bottom in terms of conditions and wages. Instead, Government investment to modernise the economy, especially in housing and transport, where investment has fallen most, and with a focus on developing a low-carbon economy and on providing the education that is needed for a high-skilled economy, would boost the economy in the short term, as well as improving long-term growth and prosperity.

That brings me to today's proposals by the Chancellor and how we should judge the Budget. On first hearing, I would say that there has been some recognition of the need to increase investment and of the role of Government to ensure that. I did not join in the applause of many of my hon. Friends when my right hon. Friend said that we would be selling the banks back at a profit. I think that we should retain some of these banks under Government control, so that they become national investment banks.

I especially welcome the green investment bank, and I hope that it is given sufficient funds to invest directly in creating the modern, green economy that we need. A recent report by the Green New Deal group explained how a £10 billion green investment would re-skill 1.5 million people, bringing 120,000 people back into the work force and increasing, very importantly, the earnings of those on low incomes by a total of more than £15 billion. It explains that such investment would save the Government billions of pounds in reduced benefits and increased taxes alone.

On the wider Budget, there are some questions to consider. Is the level of investment announced in the Budget enough? Is it being implemented in the correct way? Is it going to the right sectors to create the kind of

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high-skilled, highly paid jobs that Britain needs? I would argue that judgments cannot be formed in the immediate aftermath of a Budget, and echo the response of the Chinese premier, Zhou Enlai, who, in the 1960s, was asked by the French ambassador what he thought was the impact of the French revolution of 1790. Zhou Enlai thought for a while and said, "It's too early to say."

When the dust settles over the next few weeks, today's Budget will be judged on whether it will provide the Government investment needed to get the economy back on track. However, one thing is already clear. The plans of the Opposition for cuts not investment—for slash-and-burn economics—certainly offer no way forward. Like many in this House, I remember the devastation caused by such policies in the 1980s. They would hit ordinary people, hit our services, and drag the economy backwards. We must ensure that we do not return to that failed economic model. If this Budget is the beginning of a break with new Labour's love affair with neo-liberalism, I welcome it, but there is a long, hard road before us.

3.52 pm

Mr. Michael Jack (Fylde) (Con): That was an interesting trip down memory lane, organised, I think, by the hon. Member for Middlesbrough (Sir Stuart Bell). I congratulate the hon. Member for Elmet (Colin Burgon) on reliving, just for a brief moment, his party's romance with clause IV, when he said, "I'd like to keep these banks as state assets." There are many on the Labour Benches who long for that bit of yesteryear but for whom, sadly, reality has told a different story.

Mr. Todd *rose—*

Mr. Jack: Before I get started, of course I give way to the hon. Gentleman.

Mr. Todd: Did not the right hon. Gentleman find surprising the comments of the right hon. Member for Wokingham (Mr. Redwood), who appeared to share the view of my hon. Friend the Member for Elmet (Colin Burgon) that we should keep those banks for a considerable time longer, and be active in their direct management?

Mr. Jack: I smile at what the hon. Gentleman has said, because I really could not see my right hon. Friend lining up with those who wish to relive clause IV. I think that he was saying that there was a time and a place for rebuilding their value, but also a time and a place for their ultimate disposal, whereas the hon. Member for Elmet may have been thinking on a more long-term basis—well, perhaps for ever—as regards retaining those assets in state ownership.

It is obvious from the brief messages that I have managed to garner about how the Budget is seen outwith this House that bodies such as the CBI and the Institute for Fiscal Studies are raising questions over its assumptions about growth and reductions in public expenditure. The Budget may have painted part of the picture, but it is a bit like painting pictures by numbers when some of the numbers are missing. We do not know precisely what the colours will be, or what the final form of the economy will look like in years to come, because the Chancellor neatly skated over that point of detail.

It was interesting to hear the Chancellor's analysis when he was talking about the efficiency savings that had been made and the reductions in public expenditure that would result. As soon as he got past where we are now, there was no detail about the future. It was interesting to see the rate of the pound against the euro, for example, within minutes of his sitting down; there had effectively been no change. As far as I can see, there has been no outbreak of improved confidence in the current Government's management of the economy. If we are realistic, we have to say that until we have had our general election and the mist of political battle has cleared from the field, when whoever wins can say with certainty what their policies for the future will be, the markets, which have a fundamental role to play in enabling us to fund ourselves out of recession, will still say that the jury is out, and there will still be large question marks against the value of the economy.

Like the Financial Secretary to the Treasury, I have sat on the Government Benches through a few Budgets, and I believe that the first thing any Treasury Minister asks himself is, "How did it go down?" I thought it was interesting that there was a subdued response from the Labour Benches. Sometimes in the past that has been said to be a good sign, because when there is too much cheering the Government can find that they have bitten off too much, only to discover that like a large meal, the cheering rapidly dissipates at the end of the debate.

However, just at the end, the Chancellor announced that he had got three effective double taxation and income tax information agreements, one of which was with Belize. There was stunning cheering, and I wonder how that is going to play on the doorstep. The elector will look at the hapless Labour canvasser and ask, "Why did you cheer so loudly about Belize, when I am worried about the factories down the road, jobs for my young people and the tax bill I am going to have to pay? Should you not have been talking about those issues, instead of cheering the fact that Belize will be able to exchange information once inquiries about individuals are put in train?" It may be of some interest, but it is an absolute irrelevance to the needs of this country's economy. Yet that was what Labour Members cheered when the Chancellor came to the conclusion of his Budget.

There were no economic rabbits to be pulled out of the hat. In fact, I felt that the Chancellor had been involved in either some kind of fantasy economic activity, or the economics of the ostrich. Not looking to the future and telling us what was in the forthcoming attractions column was a damaging way to present a Budget.

It was interesting that there was a lot of discussion in the Budget about help for businesses. I do not believe anybody in the House would disagree with the concept of helping small and medium-sized enterprises in particular that have suffered, especially in their ability to raise money. Yet while the Chancellor stood at the Dispatch Box with what he said was a positive message, we have learned that the budget of the Department for Business, Innovation and Skills is going to be cut by in excess of £400 million. That makes one wonder where the funding will come from for some of the schemes to help business that the Chancellor outlined. I will be interested to see that matter digested in the newspapers tomorrow, and to see whether they have found out how that trick will be pulled.

There is sometimes a danger—I suppose that I am going to fall into this trap—that we talk about what we have heard in the Chamber and provide our own analysis without remembering that the messages about the economy affect everybody in this country. Judging by the interviews that I have seen on television and listened to on the radio, I believe that the public are further down the road than we sometimes wish to admit to ourselves. They recognise the severity of the economic situation that the country faces, and I should think every household in the country has had its own conversation around the breakfast table about what the unemployment situation in its part of the world will be and when the tax axe will fall.

People realise that, whatever anybody says, there is a bill to be paid, and it is quite clear from what the IFS has said about the Budget that, however much we might get upset about "cuts", the economic squeeze on public spending is coming. The Chancellor has said that it is coming; there are only two things that public spending goes on—capital and people. I am afraid that, hard as it is, both will be affected by any reduction in the public sector.

I shall pick up on the point that the hon. Member for Elmet made. Public sector employment has been growing, and recent figures confirm that it has even grown in the past few months, but if, as a result of improving the operating efficiency of the economy, the job-creating ability of the private sector improves, there will be a transfer of people into private sector jobs, which may be secure and well paid, as the economy restructures. To suggest that "squeezing", "cutting" or—whatever word one chooses to use—reducing public expenditure means that someone will be without work for ever and a day is to create a false impression. We all want a vibrant economy, but reallocating resources from public to private is a good idea, because the private sector may well create better jobs for individuals in the long term. Indeed, the economy will have to face such restructuring if we are to make progress.

It is always correct for a Member to declare their interests at the beginning of their contribution, so I apologise to the House for the slight delay. I am a non-executive director of a retail company called Topps Tiles. We are Britain's largest seller of tiles and wood flooring. *[Interruption.]* With declarations, people sometimes look quizzically and ask, "What is actually being declared?" However, it has been very interesting to sit on the board of a retail company and watch not only what happened during the recession, but where we are going now. I talk generally, not specifically about my company, but in the run-up to Christmas people could see that VAT would rise in January and there were some really good bargains to be had. They were going to make certain that what money they had to spend was spent as wisely as possible. So expenditure was therefore pulled forward from 2010 to 2009, and for the Chancellor to stand at the Dispatch Box and signal the increase in revenues that resulted from that pulling forward of consumer expenditure as the dawn of some great new era just flies in the face of hard reality.

One has only to read the statement that Carpetright, which is at the front end of economic spending on the home, issued the day before yesterday to see how difficult the marketplace has become. Until the uncertainty of the general election is out of the way and more certainty is created about the future, consumers will be in very strong precautionary mode. People protect their summer holidays and Christmas, and they will think very hard indeed about spending. If consumption is level-pegging throughout the year, as I believe it will be, consumption-led growth will be difficult to achieve.

That is why I query the Chancellor's growth figures—justified, he said, by the Bank of England. He is right to revise down his growth forecasts for the next financial year, but he says that, effectively, the economy could grow at 1 per cent. above trend. Consumption, however, is under considerable pressure; investment in the private sector, as the hon. Member for Elmet pointed out, has been under enormous pressure—and as the Opposition have said so many times, there have been difficulties with raising capital from the banks for that investment. That problem has still not gone away, so it is not immediately evident to me where that growth will come from.

Mr. Tyrie: Has my right hon. Friend noticed that according to page 173 of the Red Book, although the Government are forecasting growth of 3 to 3.5 per cent., the average figure used by independent forecasters for the same period is 2.1 per cent?

Mr. Jack: I am grateful to my hon. Friend for that comment, because it raises a wider issue about economic management. I know, having served in the Treasury, that the whole of the Government's economic forecast is, effectively, based on their own estimates. They convince themselves that the numbers they want to work with are correct, they look around for some justification, and then, when they have a growth figure, everything else falls into place from that.

I must let out a secret: I remember sitting in the Treasury during my last Budget there, when we were down to arguing about the last quarter point on growth. Given the political consequences of not having it—the lower revenues and the knock-on effect on public expenditure—a quarter point between friends is not that much. We could add a little bit on and tweak the numbers. Obviously, however, a quarter point on growth either way can have a significant effect on the level of public expenditure, tax revenues and so on that come out at the other end of the pipeline.

We have to stop this illusion that there is a source of economic knowledge that is absolutely correct. It is forecasting, and forecasting is exactly what it says: people try to use the best data to say what they think will happen, respecting the fact that they will probably get some of it wrong. My hon. Friend the Member for Chichester (Mr. Tyrie) pointed out that there is about a 1 percentage point difference between the sum total of what the best of the private sector economists are saying and what the best of the public sector economists are saying. Given that we have handed over monetary policy to the Bank of England, a strong case can be made for saying that before the Chancellor goes nap on only his forecasts, there should be a mechanism to take into account what the best of the rest are saying. A 1 percentage point difference has such a profound effect on the future of the economy.

If I could make one wish for those who follow me in Parliament, although not in the Treasury—I have had my time there—it would be that there ought to be a tacit understanding that before a growth number is seized on, we need to reconcile public and private forecasts.

Mr. Todd: Presumably the right hon. Gentleman dissents from the rather angst-ridden part of the Leader of the Opposition's speech in which he drew attention to a variance between the forecasts in the Chancellor's speech and those in another document. These are forecasts containing huge ranges of assumptions and possible outcomes. If we could get them precisely right, many of us would not be sitting here; we would be earning rather more than those taxi-rank figures quoted by other Members.

Mr. Jack: I am most grateful to the hon. Gentleman, because he has made my point for me, although I did not think that my right hon. Friend was angst-ridden; he was merely pointing out, in perhaps more graphic language than I used, one of the implications of growth forecasting and what it means to this afternoon's Budget debate and the forecasts that have been made: we have to be realistic.

The hon. Member for South Derbyshire (Mr. Todd) and I do not disagree about the need to reconcile the best of the public and private forecasts—for that is what they are—and I accept that there are ranges. However, the Chancellor spoke from the Dispatch Box with absolute certainty, and that could bring dangers, because he has only to be half a percentage point out and we will have serious problems with future deficits, borrowings and tax revenues—because everything else is based on that forecast.

The Budget was pitched in the context of the world economy, but when the Chancellor talked about international co-operation, and the work of the IMF and other bodies, sadly he did not develop the point about one of the most fundamental problems that has not helped this recession—the imbalances in the world economy. When countries such as China, India and those in the middle east with sovereign wealth funds have such profound imbalances on the positive side, there has to be somewhere that is negative. The United Kingdom and the United States are two prime examples of western economies whose deficits have fuelled those positive balances.

There is very little that one Chancellor of the Exchequer can do to address that problem, but unless the world as a whole finds a mechanism to introduce more flexibility into the way in which the world's balances are handled, we will find ourselves collectively facing difficulties. For example, in this global world—we all use that term—unless the Chinese can find a face-saving way of effectively revaluing the renminbi, we shall encounter difficulties. Failure to achieve such flexibility will slow down the pace of global recovery.

I think that this will be my last speech to the House of Commons—it is certainly my last speech on a Budget—and my second leaving present is to say that a priority for the next Chancellor must be to push hard to get agreement on balances in the world. In fairness to the previous Chancellor—now the Prime Minister—he demonstrated what could be done on a global basis to deal with world debt. If we can reach agreement on debt repayment in that way, we should be able to reach agreement on the balances in the world. There is only so much money in the world to go round, and one person's positive balance today will be someone else's misery tomorrow. What goes round comes round. In this global world, the sooner we realise that, the better. I hope that that issue will be addressed.

From the point of view of first-time buyers, I welcome the Chancellor's late conversion to Conservative policy on stamp duty on properties of up to £250,000. I am also delighted that ISAs will continue to be favoured. We need to do something about savings in this country; we still have not done enough.

The central issue of this Budget, however, is the deficit. I listened carefully to the Chancellor as he painted the picture of the four years and the almost £80 billion that he has yet to take out of the economy. Let us be under no illusion: if the Chancellor's commitment to halving the deficit by 2013-14 is to come to fruition, we must have some detail about where the £80 billion will come from. Efficiency savings are already the order of the day in Government. I gave the hon. Member for Middlesbrough the information about what was happening in DEFRA in good faith, and what is happening in DEFRA is happening in many other Departments as well. Finding efficiency savings without a dilution of public service is extremely difficult, and there is no way round the fact that, at some stage, we shall have to reduce the sum total of public expenditure.

I believe that the Chancellor deserves a black mark for not being prepared to start a fundamental review of public expenditure. He is relying on carrying on until 2011 on the basis of efficiency, and saying that everything will somehow be all right on the night thereafter. At the next election, people on the doorstep will ask those who seek to represent the governing party what they will actually do and how they will save the money that every expert says has to be saved. There might be arguments about the amounts involved, but the fact remains that we have to reduce the level of public spending. We are no wiser about that now, at 4.14 pm, than we were when we started the day listening to the leaks on the radio about what would be in the Budget.

I was personally pleased that the Chancellor announced that there would at least be no changes to his inheritance tax regime. The third little wish I would like to leave behind is this: a recognition that inheritance tax has become unbelievably complicated. If people have money, they can afford to spend money on finding ways round inheritance tax. Those who are not well off but live in a big house that has appreciated in capital may not be able to afford professional advice. They could face a big inheritance tax bill, while those who are clever will find all kinds of ways to circumnavigate the tax. That is why about 95 per cent. of estates do not pay inheritance tax. There is, however, a fear about it, and a desperate worry among many old people who would like to leave something to their heirs and graces. We should recognise that in humanitarian terms. I would like to see not an artificial exercise to raise or change the levels, but a clear change to the structure of the tax, so that we can have a low marginal rate but remove—apart from the personal allowance—all the ways in which exceptions can be found.

I did an exercise in the Library a couple of years ago, and I found that we could get down to a marginal rate of about 10 per cent. or even less. That would be the right thing to do. The world has moved on. Inheritance tax came in when there were not such vast taxes on income and on consumption: it was a way of getting hold of people's wealth when a capital transaction occurred. We have many more taxes available, and inheritance tax in its current form is one that has passed its sell-by date.

I mentioned Government spending a few moments ago. I noted that the Chancellor's speech was long on the rhetoric of protecting manufacturing industry and industry in general. Fylde is the home of the air systems division of BAE Systems; it is the home of military aircraft production. Being a world leader in that field requires us to be at the margins of advanced technology for developing ideas in systems engineering and manufacturing.

That leads me to my fourth request. It is recognised on both sides of the House that turning the tap on and off for defence expenditure is not exactly the best way to sustain the development of the technologies or to maintain skilled teams of engineers at the forefront of their field. That will not happen if there is a battle going on every five minutes as to whether this or that project is to be cut or funded. We have to find a way to sustain our investment in those technologies and to plan for the future.

I would ask both Front-Bench teams to recognise the fact that, in respect of unmanned and autonomous air vehicles, this country is developing a lead in lean manufacturing low-cost systems with high operational performance. We should make certain that the investment goes into the people and the programmes that will sustain that. Without it, no golden egg will be harvested in that or any other advanced technology industries in this country.

It is also time that we looked at the position of the UK in comparison with other countries with respect to the level of corporation tax. The Chancellor almost hinted that that was where he was going, but he drew back. It is important that we remain a tax-competitive country for those companies that wish to invest in the UK.

To round off my remarks on the Budget, I should like to comment on one or two further matters that require attention. The Bank of England still has a fundamental role in translating into reality through its stewardship of monetary policy the now reconfirmed inflation target of 2 per cent. We are very lucky in this country to have had interest rates at 0.5 per cent., but I fear that we have still not taken out of our economy some of the structural problems that leave our productivity behind others in the world, thus leaving us vulnerable to increases in inflation as soon as the economy starts moving.

I do not want this country to return to having to control inflation by running interest rates that are higher than those of many of our industrialised competitors. I suggest that we need to look again at the Bank of England Act 1998, and at the Bank's remit. We need to ensure that it is able to engage in rather wider economic management. We need to take careful account of some of the structural matters that affect the country's potential to hang on to a low-inflation economy, because if we return to high inflation, all our proud and fine words about good economic management will be worthless.

I had the privilege of seeing on to the statute book the work that the Treasury has been conducting for the last decade on the tax law rewrite, and I want to record my appreciation for the Government's support for the project throughout that time. The project does a remarkable job in illustrating that, in a complex tax world, tax law can be expressed in a way that ordinary people can understand. Those who want to know about capital allowances, for example, can sit and read the Capital Allowances Act 2001 like a book, from one end to the other, and then understand capital allowances. What a transformation! I remind those who seek the nirvana of simplicity in the world of tax that we live in a very complicated tax world, and that tax law is bound to be complex. However, I urge the Treasury to maintain the lessons from the tax law rewrite exercise, and at least to make the law understandable to those who follow us.

One of the things that mystify me about the problems that we have faced in the economy is how we got ourselves into this mess, but I have learnt from it — and I send the message on — that when the economy is growing, we should not do what the former Chancellor did and continue to increase public expenditure. That is not the right way in which to run an economy. A Chancellor should build in headroom, because, as sure as eggs is eggs, economic cycles will deliver downturns in the future. The idea that it is possible to get rid of boom and bust is bananas. It is silly. The world runs on cycles, and every so often those cycles deliver unpalatable news. The present cycle has been accelerated by bad decision making in bank boardrooms, with the result that we are all now picking up the tab for a limited number of people's bad decision making.

Michael Fabricant (Lichfield) (Con): Does my right hon. Friend agree that it always seemed very strange when the previous Chancellor of the Exchequer, the present Prime Minister, talked of balancing the books in the course of a cycle — thus recognising that there was indeed a cycle — while, often in the same sentence, saying that he had done away with boom and bust?

Mr. Jack: I pay tribute to my hon. Friend, who is my former Parliamentary Private Secretary and oft-time adviser on what I should and should not do. He has made a sage point, as he so often does. When a Chancellor who had made a virtue out of prudence then abandoned her with a divorce two thirds of the way through his chancellorship, I did rather feel that he was throwing away his own legacy. I believe that most people thought that he had done quite a good job at the beginning, but he threw it away with profligate expenditure, as a result of which today's economy does not have the headroom for borrowing that it should have. That was a fundamental failure.

Mr. Ian Taylor: Of course the former Chancellor, the present Prime Minister, did very well when he first took office in 1997, because he committed himself to at least the first three years of the outgoing Government's expenditure plans.

Mr. Jack: My hon. Friend has made a telling point.

The Treasury advises the Chancellor to do certain things. Perhaps, just as a direction is given to a permanent secretary if someone wants to go beyond the departmental remit, the Chancellor of the day should be required at least to put on public record why he disagrees with advice which would seem to be profound commonsense: the advice that when the economy is expanding and

[Mr. Jack]

there is no need to increase public expenditure, we should pay down debt. We always know that the rainy day will come, and that we will need the money then.

We will continue, in the debate on the Budget and on the doorsteps in the campaign to come, to focus on taxes. Nobody ever likes to talk about tax increases. In fact, people do not like to talk about taxes at all unless they are decreasing taxes. Unsurprisingly therefore, one thing that has been missing in this country is a fundamental debate on tax—on what we should tax, and how we should tax it. My philosophy is that we should always have a tax system that is broadly based and that works on low marginal rates, and that we should be careful about defining areas that should never be taxed. Chancellors tend to think that they can get away with increasing taxes in areas that are not politically sensitive, such as stamp duty and air passenger duty, and as a result those whipping boys of the tax system get whipped very hard, whereas other areas are left alone. This is not the time or place to have a detailed debate on tax, but a debate on tax we should surely have, because we are now in the 21st century and the world, including how we conduct our financial affairs, has changed since we last took a proper look at tax, which was back in the early 20th century with the development of income and consumption taxes. I hope that whoever sits on the Treasury Bench in the future will address such matters.

My time is up. Some may cheer and say, "He's talked for too long," but as this is the final opportunity I shall have to address the House—certainly on a Budget, and also, I think, on any other subject—I would like to conclude, with the indulgence of Members, by saying a few final words. First, it has been a great honour and privilege to represent the many interests of my Fylde constituents in this House over the past 23 years. Also, to have sat on the Benches on both sides of the House was a remarkable privilege, and an experience that very few Members have. We probably only appreciate how special our experiences have been when we leave this place. It has also been a privilege and honour, and a pleasure, to have chaired one of the House's Select Committee for the past two Parliaments; I shall never forget that. I would also like to place on record my appreciation to everybody in the House of Commons who makes this place work, including the army of officials behind the scenes on Select Committees and in Government. None of us can exist without all that assistance.

I thank, too, my family, and in particular my wife; I could not have done this job without her backing. Above all, I thank the many friends and colleagues that I have had on both sides of the House. If there is one thing I am going to miss, it is the camaraderie of colleagues. To those who are coming back after the election, I send my very best wishes for the future. To those, like me, who are retiring, I send my best wishes for their retirement.

4.27 pm

Mr. Mark Todd (South Derbyshire) (Lab): It is a great pleasure to follow the right hon. Member for Fylde (Mr. Jack), but let me say, kindly and self-critically, that we have an unfortunate situation this afternoon. We have both no time limits on speeches and, from observation, a large number of Members who are retiring from the House. There is therefore a significant opportunity for self-indulgence. I will attempt to restrain myself a little, however. I do not think this will be my final speech in the House. For those who can bear it, I intend to make one further contribution, so I shall not conclude today with similar valedictions to those we have just heard.

I last spoke at length on Treasury matters when we debated the autumn statement—or perhaps it was the last Budget—but the basic messages have remained the same. This is not the occasion for a serious discussion of how our public finances are to be brought back into kilter. I have set on record my personal views. It is regrettable that we are not able to have an adult debate in front of our constituents, to inform them better on how they might make their choices. I do not think that the Government, the official Opposition or the Liberal Democrats have set out with any great clarity what lies ahead in the next five years for the electorate. That is regrettable. Constituents of mine have said, "We would like to know what each party is intending in rather greater detail than the vague brushstrokes that have been applied so far." I regret that, but I am a realist, and I understand that few will volunteer hostages to fortune in that way immediately before an election. I will therefore not devote this speech to a discussion of that issue, on which I have said my piece.

Instead, I want to speak about a much broader issue: the methodology of the governance of our economic policy. I was prompted to reflect on that issue by an article in the weekend's newspapers, although obviously not one that a lot of other people read. It was a piece in *The Sunday Times* about the donations to the Conservative party in various constituencies, including mine. I am standing down, so I have no personal interest, but I was prompted to look carefully at what had been said by Mr. James Tyler, the individual who had donated some £250,000 to a number of constituency parties in my area and in London. When I heard about his donations previously, I had wondered who he was and what his motivation might be. The article gave some insights and some steers into speeches that he had made, which left me with a little more information.

The article also left me dusting down my knowledge of unfashionable economic theory. Why? Well, it turns out that Mr. Tyler is a new admirer of the Austrian school. I did A-level economics, and I can vaguely remember references to the Austrian school from then. Much the best known exponent of that group of beliefs was Friedrich von Hayek—I say that in a positive sense, because I am going to say some positive things first—whose name is identified with some of the valuable insights of that school. He rightly set out the necessary inefficiencies and irrationalities of a planned economy. He and others were also sceptics of the mathematical modelling of human behaviour, which has been an obsession of modern economics, and has also provided one of the bases, albeit a small one, of our current crisis. Applying confidence to complex models, with huge uncertainties and multiple assumptions, is entirely wrong. That was the point of my intervention on the right hon. Member for Fylde. Econometrics provides useful spreads of possible outcomes. As I said, I thought that the Leader of the Opposition's contribution, which highlighted a small relatively variance in possible outcomes between Bank of England and

Government forecasts, indicated a certain immaturity on the subject. His speech also indicated how his view differs from mine on the value of predictions of economic activity, which are no more than that—useful indicators of possible future outcomes that may steer our policy.

Those who have followed my contributions on the Treasury Committee will know that there have been many occasions on which I have commented on the difficulties of using short-term economic reporting of outcomes to drive future policy. The Monetary Policy Committee relies on information provided by the Office for National Statistics, but those data are regularly revised, and sometimes relatively materially. However, in a useful discussion, the Governor of the Bank of England took the same view as me: yes, there are variances, but they are not so profound as utterly to alter the truth of the economic situation that we face. Such data are useful in helping us to steer our policy making, but it is wrong to be obsessed about detail.

The Austrian school took that message and almost banished mathematics from economic thinking, which is perhaps rather too extreme a position to take, albeit one that was welcome to me when I studied economics, because maths was not my strongpoint. Nevertheless, I have some admiration for that approach. Not all the thinking from that school attracts criticism, therefore, yet modern adherents are regarded by most people as outliers in economic thinking. Why? This question is a pointer on my slight concern about such a major donor to the Conservative party adhering to that set of beliefs. Mr. Tyler gives some clues in the speech he gave to the Adam Smith Institute in October of last year. I admire him for putting on the record what his views are—that is helpful. He sets out some of the fundamentalist thinking that has understandably relegated this school of thought to a backwater.

Essentially, the school espouses the most severe form of monetarism. Every economic crisis, and certainly the current one, as he says, is attributed to credit growth and the solution lies in a return, essentially, to a gold standard. Interestingly, one of his key villains of recent past economic history is Alan Greenspan and his response to the 1987 crash. Presumably, Nigel Lawson features in his rogues' gallery, but is not mentioned in his speech.

Alan Greenspan has a long history. In an earlier stage of his career, he was a strong advocate of using gold as an anchor to currency in circulation. Let me quote a remark he made in 1966, to show how rapidly people change their views on economic policy:

"In the absence of the gold standard, there is no way to protect savings from confiscation through inflation. There is no safe store of value. If there were, the government would have to make its holding illegal, as was done in the case of gold. If everyone decided, for example, to convert all his bank deposits to silver or copper or any other good, and thereafter declined to accept checks as payment for goods, bank deposits would lose their purchasing power and government-created bank credit would be worthless as a claim on goods. The financial policy of the welfare state requires that there be no way for the owners of wealth to protect themselves. This is the shabby secret of the welfare statists' tirades against gold."

I have to say that that is from a gentleman who has been an adviser to our current Prime Minister, so it is an intriguing view of where he stood in the past. He went on:

"Deficit spending is simply a scheme for the confiscation of wealth. Gold stands in the way of this insidious process. It stands as a protector of property rights. If one grasps this, one has no difficulty in understanding the statists' antagonism toward the gold standard."

Of course, the gold standard was a strong feature of debate in the 1920s and the economic crises of that decade. The rigidity imposed made it impossible for an economy to adjust the realities of a changing competitive environment other than by sharp reductions in costs, prompting mass unemployment and deflation. The social consequences of that aspect of this school of thought are dramatic.

The school also welcomes—as does Mr. Tyler, explicitly, in his speech—deflation. The theory is that prices fall to the point at which people are willing to make purchases. However, economists have pointed out that the real history of periods of deflation shows not merely the inevitable consequences of lost capacity, but the deferral of spending decisions that most purchasers make when prices fall, for the perfectly obvious reason that when one sees prices falling it is difficult to time the point at which one makes one's purchase, because one anticipates future price falls beyond that. The data show that that is exactly the behaviour of most people in a deflationary period.

Milton Friedman, who is quoted as one of Mr. Tyler's former gurus, has demonstrated that the Austrian school's explanation of business cycles is false. The school rejects the main functions of central banks, and I must admit that I was intrigued by Mr. Tyler's adherence to the Conservative party, which, of course, wishes to enhance the role of our central bank in a variety of ways—certainly by reactivating it as a regulator of key parts of our financial systems. There is certainly some variance, at least in public policy terms, from one of their major donors. He rejects, in particular, the role in permitting credit to rise and would certainly dissent from the measures the Bank of England has taken in facing this crisis: both setting low interest rates and providing monetary easing, through which it has sought to staunch the shortfall of money supply caused by this recession. The school also strongly favours the small state, yet the evidence shows that countries with well developed welfare states and strong investment in education perform better than countries with low levels of outlay. In the modern world, it is hard to conceive that any competitive advantage is granted to a country that invests little in its infrastructure or its people's skills.

Mr. Tyler ends his speech with a resounding call. He states:

"Austrian economics predicted this crisis and has solutions. Austrian economics can prevent this from happening in the future. Find out about it and understand it."

As I have demonstrated, I was certainly prompted to look a little harder at this perhaps neglected area of economic thinking, and it was an interesting but concerning experience—concerning, because this gentleman is a major donor to Her Majesty's Opposition, second only to Lord Ashcroft in personal contributions. As far as I know, he is a UK taxpayer, and that is excellent. It is also fair to say that the business he established flourished under a Labour Government. He was a financial trader in the early part of this decade, and presumably did very well under many of the policies that this Government have adopted. It is a puzzle to me as to how he reached the judgment he did concerning the prospects of a Conservative Government.

[Mr. Mark Todd]

In his speech, Mr. Tyler highlights some of the failures of past Conservative policy. He draws attention to the response to the 1987 crisis, for example, and he certainly damns the response to what he describes as the "ERM crisis". I would hazard a guess that he puts with that the tracking of the Deutschmark and other behaviours of the Conservative Government of the time. He does not expand on his criticism but the Leader of the Opposition was, of course, an adviser to the Chancellor during that exchange rate mechanism crisis, yet he appears to enjoy the confidence of this major donor.

One has to presume that Mr. Tyler has not offered £250,000 in the expectation of a continued adherence to policies that he clearly disdained in the past. Presumably, he wishes to have at least a friendly ear for his thoughts. If his ideas are adopted in any substantial part by Her Majesty's Opposition, and if they are fortunate enough to be elected at the forthcoming election, we face the prospect of a sharply smaller economy and long-term mass unemployment.

I can well understand the strengths of Mr. Tyler's economic principles. People who hold monetary as opposed to asset wealth might welcome them, as they protect and could enhance the value of savings. Everyone else, however, including those who hold wealth in companies, would face a gloomy future. One can only hope that this man is donating money in some fantastic hope, and not any great expectation, of a serious ear in Her Majesty's Opposition's leading counsel.

4.43 pm

Mr. Ian Taylor (Esher and Walton) (Con): Because any business activity is inevitably impacted, for good or ill, by a Budget, may I begin by drawing attention to the Register of Members' Interests?

Like several other speakers this afternoon, I am making my valedictory speech. The hon. Member for South Derbyshire (Mr. Todd) and my right hon. Friend the Member for Fylde (Mr. Jack) – and, I hope, myself – are going when our constituents are sighing woefully, as opposed to with tears of joy. In a sense, I am going when there is still some energy left in this body, after 23 years of service in this House.

I am also leaving with some sadness, as this has been a fascinating period. When I first entered the House, I served on seven successive Finance Bills, which might be considered slightly beyond the call of duty. Because of the magnificent economic management of the Conservative Government, that did not mean seven successive years – in at least two years there were two Finance Bills.

I look back with some degree of pride that I got a reputation for boring for Britain in favour of employee share-ownership schemes at a time when they were not fashionable. I am delighted that the current leader of the Conservative party has, in revitalising the party, revitalised that idea, particularly in the social field. I welcome that enormously. When I came up with that idea in the late 1980s, I thought its time had come, and I even wrote a pamphlet for – remarkably – the Adam Smith Institute. Given my other views, that was an offer I could not refuse. That idea is now mainstream. I was also – I think – the first person in the Conservative party to write a pamphlet on corporate social responsibility. Again, that was slightly out of time, because only now is it mainstream Conservative policy. In a sense, I am going just when the party has caught up with me. I suspect, therefore, that my party is rather pleased that I am going.

The Budget is strange – it is a fag-end-of-a-Parliament Budget. We do not know what the election result will be, but I obviously hope that my right hon. Friend the Leader of the Opposition becomes Prime Minister. He has revitalised the Conservative party and I hope that he will revitalise the country. We might not know what will happen in the election, but we do know that the Budget does not give much guidance on what must happen the moment the election is over, when we must begin to take things seriously.

Of course, there are some nuggets in it. I was rather delighted that there might be some relaxation regarding automatic retirement at age 65. I am retiring from the House just before I am 65, but I hope to do other things outside. I was thrilled with the potholes money – I believe it was £100 million. Surrey county council could probably make use of the whole of that fund judging by the size of the potholes in my county. I hope that the Treasury looks kindly on the much underfunded and neglected county of Surrey, part of which I have served for all those 23 years.

Otherwise, the Budget rather misses the big challenges. One thing I did not see was any concept of our international position. We have a relatively weak currency at the moment, which is normally regarded as a good thing – people say, "Terrific. We can get manufacturing and other exports rising." However, that requires markets into which we can sell, and many other countries are undergoing great difficulties at the moment.

I have been known, from time to time, as being rather positive about the European Union, from which I do not resile. However, I wish my friends in the German Government would wake up to the reality that they cannot continue to have the surplus they have and a stable monetary zone within the European Union. By the way, Portugal has had its fixed rating reduced today, so it is being fingered as country with a higher risk than is appropriate within the eurozone. We already know about the Greeks and I suspect that Spain is sweating on its credit rating, but the German Government must get their act together. Germany is the motor of the European Union and, regardless of whether or not we are in the euro, one of the motors of our exports, so it is vital that it understands that there is an obligation, which is ultimately in its interest. It is not just about China, as my right hon. Friend the Member for Fylde said.

I mentioned China because its reserves, given the level of the renminbi, could be tremendously destabilising. The Americans are getting a little belligerent and asking whether they should impose import duties on Chinese goods, but they should remember that if it was not for the Chinese buying dollars, the dollar would be in a state of genuine crisis, which would have big knock-on effects on domestic interest rates. We do live in this global economy and although I certainly do not share the Prime Minister's view that he saved the world during the middle of the debt crisis, I give him credit for understanding that, regardless of the problems in UK, this was solvable only by looking around the world and

trying to get agreement. That will have a considerable impact on the way in which we begin to structure the recovery.

Inevitably, there will have to be what is called a "fiscal contraction", which can be either an increase in tax or a reduction in expenditure. We have had a sterile debate at times this afternoon. No party is advocating no cuts, because that would be unsustainable. I note two things in this regard. Page 11 of the Red Book shows that debt interest is now £43 billion a year which, as my right hon. Friend the Member for Wokingham (Mr. Redwood) said, is greater than the defence budget and twice the budget of industry, agriculture and employment. If one looks down the page at the figures on receipts, one sees that debt interest takes up the whole of the receipts from corporation tax. That is just an unsustainable situation, and it is occurring when rates of interest are artificially low. I am not saying that they should not be at their current levels, but if interest rates were to start to rise, debt interest would become dramatically higher and would begin to swamp excise duties, which raise only £46 billion. The relationship between these sums is important. A better way of trying to explain to the British people that we have a problem might be to tell them that we are fighting a war in Afghanistan—my son is a soldier, and he is now safely back from Afghanistan, having served his second tour—yet the British Government are spending less on defence than they are paying in debt interest on their borrowings. The public understand that that is unsustainable.

We want to reduce services without affecting the front-line services and while looking after the people who work in those services, who are wonderful. Any Member of Parliament who visits their local schools and hospitals has a very high regard for the people working in the public sector. The cuts will be painful. The difference in the language used by the Government Front-Bench team and our Front-Bench team is not about whether or not we should have cuts; it is about the fact that the longer one leaves making those cuts, the more dangerous they are likely to be because the deeper they will have to be to convince the markets. The markets are important because of the debt interest that we are already paying, as I have already mentioned. I hope that during the election campaign we will be able to get away from the sterility of the argument, "You are going to cut sooner than we are going to cut" and get on to consider what sort of economy we want to have after we have cut what we will have to cut. That is what I want to focus on.

During my many years in the House, I have taken a particular interest in higher education, science and space. I was lucky enough to be a Minister with responsibility for science and technology in the mid-1990s—that was up until the 1997 election. That was a fantastic portfolio, and being space Minister was quite interesting. Most of my colleagues rather wanted to send me to outer space, nevertheless the role was a stimulating experience. Within the context of public expenditure constraints, we must preserve expenditure as much as possible in education, science and space and, in some cases, invest, in contradistinction to the cuts that we will need to make in other sectors. We need to do that because what will really determine whether this country will be successful, whether it will punch its weight in the world, whether it will not be increasingly ignored by the G2 of America and China and whether it will have its voice heard not only within the European Union, of which I profoundly hope we are an influential member, but within the G20—it is actually the G28 because some countries want to hang on in there, despite not being part of the G20—is whether we are extremely careful not to destroy the added-value industries and skills that this country will depend upon for growth.

Our economy is not going to grow again on the back of North sea oil. We have been lucky enough for that to happen in the past decade or two, but North sea oil is disappearing. There are some interesting opportunities for the further recovery of oil in fields that have been part-extinguished, and for deeper-sea drilling, but they will not give our economy the kind of boost that it has previously had. Indeed, it is likely that we will be importing more than 60 per cent. of our gas and oil requirements shortly—perhaps by the end of the decade—from unstable countries such as Russia.

We will not see a recovery at the same level as before in the financial services industry. I hope that we do not destroy that industry; I do not want to get into the issue of taxes on banks, but we want the banking, financial services and insurance sectors to do well, as they are great drivers of wealth and innovation in the economy, not just for the bankers. The reality, however, is that we will have to stimulate other parts of the economy such as the service sector and the creative industries if we are to survive, to export and to generate wealth. That means doing something to ensure that we do not just cut higher education out of convenience.

I welcome the comments in the Budget about funding for extra students in science, technology, engineering and mathematics. That is a positive move, although it is not enough. I juxtapose, as the Royal Society did in its recent report, "The Scientific Century", the fact that France has just announced an extra €35 billion in funding for research and development in science, and the fact that we are slicing £600 million from our higher education sector. Some strange concepts about this issue concern me deeply. We need to encourage universities to teach scientific subjects and we must recognise that those subjects are more expensive to teach, pro rata, than arts subjects. In turn, we need to encourage more people to take those scientific subjects, which means offering better teaching in the schools that are the feedstock of our higher education institutions.

I also want to discuss science and engineering, which are not valued in the public debate as much as they need to be if we are to recover as a knowledge economy. The importance of applied science in particular is not fully appreciated. We have a high regard for our basic scientists and a very high regard for those who get citations published—we punch above our weight as a nation in that regard—but we are not so good at pulling across into reality the innovations that are necessary to enhance our knowledge economy. Again, I noted that there was further funding in the Budget for spin-outs from universities, but I think that we need to look at proof-of-concept-stage financing and to give more encouragement to industry and universities to work together on research projects, because not all ideas come out of universities—quite a lot of them come out industrial research establishments. We are aware of that, but we are fiddling at the edges.

The Labour Government have rightly taken credit for increasing the amount of money that goes to the research councils; they have more than doubled it since I was the responsible Minister, when I was unable to persuade the

[Mr. Ian Taylor]

then Chancellor of the Exchequer that he should do the same thing. I therefore give credit to Lord Sainsbury for changing attitudes to the research councils. However, it is interesting that both his retirement report, "The Race to the Top", and this month's report from the Royal Society draw attention to the fact that, in terms of expenditure as a percentage of research and development, the expenditure on public R and D is the same now as in 1997, when I left office as the Minister for Science and Technology, at about 0.7 per cent. of gross domestic product. So, despite the increase in the research councils' budgets, there has been a diminution in public investment in science across the board in other Government Departments. We need to be careful about that and to watch it.

My view is that scientific expenditure stimulates growth in other sectors of the economy, although not always predictably. President Obama has put in place massive science and technology stimulus projects that will have a big effect progressively on the way in which the United States recovers, because it will have a lot of value-added industry and skills in universities. Some of the money going into American universities will attract talent from throughout the world, so there will be an influx of top academics and research institutes, perhaps including those from the United Kingdom. We need to be careful, so I hope not only that science expenditure will be ring-fenced, but that the importance of science will be underlined and understood in Government Departments, so that each Department's chief scientific adviser, and perhaps their engineering advisers, will ensure that every Minister understands the importance of projects that lead progressively to more scientific expenditure and the application of science in Government decision making.

As I said, I shall make a comment about space, and I make the specific disclosure that I am a non-executive director of a company involved in satellite broadband. I welcomed this week's Government announcement on the space agency; Lord Mandelson and Lord Drayson were right to make the decision. This country needs a stronger position on space activity. It is one of the most innovative industries and contributes about £7 billion a year to the UK economy. It involves cutting-edge technology, a lot of which reads across to the non-space sector. The sector is therefore important, so I hope that my Conservative Front-Bench colleagues will not only endorse the space agency, as I think that they will, but understand that it will need Government funding along the lines that have been announced if it is to bring in the proposed industrial funding, which I know about from the industry and Government policy group report that preceded the space agency announcement.

Let me focus on a final point that the Government need to take on board and on which I hope my party will focus more explicitly. The Budget included a mention of small and medium-sized companies tendering for Government contracts—I call that smarter procurement. It is vital that that happens, although it is not easy to achieve. The Government spend more than £160 billion on all procurement. For 30 years or more, America has put in place a set-aside of about 20 per cent. of such expenditure for small and medium-sized companies, which leads to a tremendous pull-through. The best form of capital for a smaller company is revenue, so if a company wins an order, it will be much more likely that outside investors will back it. The difficulty in this crucial area arises due to the costs of tendering. The Budget envisages such expenditure representing 15 per cent. of the total, which would mean that upwards of £20 billion a year would go into smaller companies. Obviously, that would have a tremendous impact, and it would be a much greater amount than the budget for the science research base. If we can get this right, as I hope that we will, the results could be dramatic.

Britain deserves to be a leading-edge, innovative economy. I commend a recent report to Conservative Front Benchers by Sir James Dyson, which covers much of the same ground as, and makes similar recommendations to, a report that I gave to the shadow Cabinet in 2007. The time for such ideas has come, but I felt that the Budget was tired in the sense that it contained a lot of little initiatives, but no real vision of how we can drive this country back into a situation in which we can afford, through the growth of high-technology industries, the very services on which we know that the public depend. That is a real gap. I hope that during the election and beyond it, we will recover our self-confidence and determination not to be dependent on what goes on elsewhere in the world for our livelihood, and show the rest of the world that British industry can compete and that we can have the skills base that will enable us to hold our head up high.

Those are my final words in the Chamber. I have enjoyed 23 years here, and it has been a privilege. The Esher constituency between 1987 and 1997, which became Esher and Walton from 1997 to the present, has been a wonderful constituency to represent. I have been greatly supported by my wife, whose father was a Member of the House from 1950 to 1961, when he went Upstairs, so we have a long association with the Commons. It has been a great honour for me to serve here.

I hope that debates in the next Chamber flourish and that Members speak without notes, preferably, because it is a debating Chamber. It would be even more stimulating if people were to think things through and understand what they want to get across to the British nation in the Chamber, rather than waiting to put out a press release. I have enjoyed my time here, and I am very grateful to everybody in the House for allowing me to do so.

5.6 pm

Lynne Jones (Birmingham, Selly Oak) (Lab): This may well be my last speech to the House, although there are a few days left of this Parliament. During my 18 years here I have spoken in a few Budget debates, and without exception the issue that I have always raised has been my concern about the lack of investment in our infrastructure in this country, including the research and development infrastructure. I echo the sentiments expressed by the hon. Member for Esher and Walton (Mr. Taylor), whom I count as an hon. Friend in the House. We served for a while on the Science and Technology Committee.

Looking in the Red Book, I note that between the current financial year and the next, there is to be a £10 billion cut in the capital budget, followed by a further £11 billion cut the following year. I have grave doubts about whether that is the right way to go. I accept that there will be pain in the future, but cutting

down on investment in assets that will be the engine of our future growth and prosperity is short-sighted. One element of our infrastructure is transport. I cannot see any figures for that, but we recently heard the welcome announcement about high speed rail. I do not know how that is to be financed, and I cannot see in the Red Book what is happening to capital investment in transport.

Rob Marris (Wolverhampton, South-West) (Lab): Would my hon. Friend, like me, welcome an early and positive decision on a major expansion of the tram system in the west midlands?

Lynne Jones: Indeed. The lack of investment in our transport infrastructure puts us to shame, compared with similar economies in Europe. I have been trying to reduce my air travel and have travelled a number of times, both on holiday and on Select Committee visits, by train in France, Germany and Spain. I have also visited continental countries where public transport is superb and where there is substantial investment in cycling. I must put a marker down for that. Although the Chancellor announced today £100 million for mending potholes, which will help cyclists to some extent, and £250 million for our motorways, a very small amount of money could do marvels for our cycling infrastructure. That is all part of the investment that we need for a modern economy.

Another aspect of investment that concerns me is housing. Of course, the announcement that first-time buyers are going to be helped on to the housing ladder is very welcome. In my view, however, we have been too reliant on owner-occupation. There is nothing in the Red Book about investment in our social housing, as regards not only new provision but investment in reducing energy use, improving energy efficiency insulation, and so on. Instead, there have been cuts in the Department for Communities and Local Government capital budget.

In science, we have already started to see some cuts. The Government have a target of achieving expenditure of 2.5 per cent. of gross domestic product on investment in research and development. Not all of that will be public investment. Nevertheless, we are way off target. Public investment in science has grown substantially. It is one of the great success stories of this Government that they have invested in the science budget. I well remember having a conversation with the hon. Member for Esher and Walton in which he expressed regret that when he was a science Minister he was not able to announce such large increases in investment in our research councils and universities, for example.

However, in terms of actual GDP, investment has remained reasonably static at about 1.8 per cent. That means that if we are to achieve the 2.5 per cent. target, let alone the 3 per cent. for R and D that was part of the growth and stability pact in Europe, we should be increasing our science spending year by year. As the hon. Member for Harrogate and Knaresborough (Mr. Willis) has pointed out, public sector investment in science and R and D stimulates development in the private sector. I agree with the hon. Member for Esher and Walton that the science budget should be ring-fenced. Moreover, the Government should think twice about capital expenditure. Spending for investment was part of the golden rule. The Chancellor seems to have abandoned the argument that spending for investment should be protected because in the end it more than pays for itself, and helps to bring in tax revenues. One of the major reasons for the huge deficit, apart from having to bail out the banks and the over-reliance on the financial services sector, has been the loss of tax revenues.

I agreed with the right hon. Member for Fylde (Mr. Jack)—the Chair of the Environment, Food and Rural Affairs Committee, on which I have served for the past five years—when he said that we need more growth in jobs in the private sector; of course we do. However, I did not agree with him when he argued, in response to the speech by my hon. Friend the Member for Elmet (Colin Burgon), that those of us who see an important role for the public sector in these areas are harking back to times past, and some imaginary golden age that never existed. The fact is that we need both the public sector and the private sector. Surely now, of all times, we should recognise the important role that the state plays in stabilising our economy and in creating an environment in which the private sector can prosper.

Although I have never advocated the nationalisation of the commanding heights of the economy and all the banks, I do not mind one or two financial institutions being owned by the public, or perhaps a return to a larger mutual sector. It is a great pity that we have lost the range of financial institutions that we used to have. I am sorry that the Chancellor did not mention the launch of a people's bank, as the press suggested he would. I welcomed the nationalisation of Northern Rock; it was the right thing to do, and was opposed by the Opposition. It should be used as way to relaunch the mutual sector in financial services, and I should like a people's bank to be developed in the Post Office.

I certainly do not advocate the idea that all our banks and financial institutions should be nationalised, but we need a balance and a recognition of the interdependence of the state and the private sector. Ever since the Thatcherite era, there has been an idea that the market is God, that it will prevail and that it cannot be bucked. Since 1997, my party's Government have gone along with that philosophy. Indeed, the Prime Minister, in his last speech as Chancellor, at the Mansion House in 2007, talked about the success of the City of London and said that it hailed a new golden era that would be seen as even more important than the industrial revolution. Now we have learned not to put our trust in the unfettered market, and that we need a balance between the market and the state.

We can take as an example the over-reliance on the housing market to provide housing. People have been pushed into home ownership who should not have been, and there has been an idea that housing is an investment rather than a place for people to live and build a home in. The role of social housing, particularly council housing, has been denigrated. People who rely on the council housing sector—I was brought up in a council tenancy and my mother is still a council tenant—have been regarded as somehow not aspirational enough, and as lesser beings than those who own their home.

There is nothing great about having an irrational housing market. Again, it is our duty to have a balance and recognise that there is a role for renting, and particularly for the social rented sector. That is a far more efficient way of providing houses, because it is investment in bricks and mortar that is not subject to ever-increasing prices as properties change hands. Such

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housing stays in one ownership, and the only investment needed is in maintaining and improving properties. The worship of owner-occupation has been a big mistake in the past 20 or 30 years, and the loss of so much of our council housing has had terrible consequences. There has been a huge increase in waiting lists for social housing, yet there was no mention of the matter in the Budget.

I am concerned also about the growth in inequality that has occurred since the 1980s, which has also been a consequence of the Thatcherite ideology. We have seen a huge growth in inequality; in a recent article in *The Guardian* the Prime Minister could only claim that the Government had been successful in limiting its growth. We have a huge disparity, as the recent report by the National Equality Panel showed, with the richest 10 per cent. in our society being 100 times more wealthy than the poorest 10 per cent. Parliamentarians—even those of us on the basic parliamentary salary—are among that highest-earning 10 per cent., and compared with other members of our society we are by no means rich, just very comfortably off. However, we enjoy riches beyond the dreams of many of our constituents, and that is why the expenses scandal caused so much outrage.

There is not enough in the Government's tax and spend policy to deal with that inequality. A recent publication by Richard Wilkinson and Kate Pickett—I cannot remember the title of their book—demonstrated that in societies where there are greater inequalities, all the bads of advanced societies, including higher crime rates, poorer mental health, higher child mortality rates and poorer health all round, exist in much greater abundance. That correlates with inequality in a society, and the issue is not just real incomes or wealth, but the comparison between members of that society.

Social inequality is a predictor of many of those bads, which have been described as aspects of the "broken society", and that inequality has led to problems within our communities. The Government have done a great deal to address those problems and slow down the growth in inequality, and there has been financial help for families and children. Indeed, many children have been taken out of poverty, but the glaring inequalities in our society remain.

The Government have moved—in a tokenistic way—to address some of those issues. I was highly delighted, for example, when they started to look at restricting pensions tax relief. It is absolutely outrageous that £18 billion—I think—is spent on tax relief for pensions savings and 30 per cent. of that goes to the wealthiest 1.5 per cent. of people. Some 75 per cent. of the population share about 25 per cent. of that largesse. The Government have just started to restrict that relief, but I have long argued, and I cannot see why they do not accept, that tax relief on pensions should be limited to the basic rate of tax. There is no evidence that that subsidy, particularly of high earners, increases their savings: it just means that savings are made in different ways.

Several hon. Members have said that this is not the time to go into the tax system, but I want to mention it, because we do not have a fair and progressive system. Fairness was the subject of the first question at Prime Minister's questions earlier today, and the Prime Minister talked about the important policies that the Government have introduced, such as tax credits, to improve fairness. However, while people earning less than half the median income are paying tax, we cannot say that we have a fair tax system; while low earners are paying a higher proportion of their income in tax than high earners, we cannot say that we have a fair tax system. I support the Liberal Democrat policy of a huge increase in the threshold at which people pay tax. That obviously could benefit people higher up the tax scale, so there would need to be a smoothing process to ensure that higher earners did not benefit. However, that is the right way to go—it is a simple way of helping the poorest people.

We also need to look at the balance in our tax system between taxation on earnings, enterprise and investment and taxation on bads and commodities such as land, with which people can hugely increase their wealth by doing nothing, often as a result of public sector investment in the infrastructure to which I referred earlier. Such investment can massively increase the value of land, and enrich the landowner, despite their making no effort, so it is time to take a proper look at a land tax.

Interestingly, an Opposition Member recently raised that issue in an article in *The House Magazine*. I can remember his name, but after 18 years in the House I still cannot remember the names of constituencies, so he has avoided the embarrassment of being named. At some time or other, however, Members on both sides of the House have raised the possibility of a land tax. A small percentage increase in land values only would be needed. The hon. Member for Twickenham (Dr. Cable) has moved slightly in that direction by advocating the mansion tax, which I also think is a good policy.

Council tax is not progressive enough, although I disagree with the Liberal Democrats wanting to abolish it, because I think that property taxes are a good form of taxation. They are easy to collect and difficult to evade. However, the current council tax system is unfair, and that unfairness has been locked in by the failure to revalue it over the past 20 years. It should have been revalued at least every five years, but the Government have not faced up to that challenge.

We could also look to increase taxation revenues by taxing pollution and through green taxes. A Library report produced in December stated that 7.8 per cent. of taxation could be classified as green taxation, which was the lowest level in 15 years. I am disappointed, therefore, that next year the Government are to increase national insurance but not increase taxes on property, pollution and carbon emissions, and that they are not doing more to create a fairer and more sensible tax system, in respect of what is taxed and why.

Having said that, there will be an election on 6 May. The Government can claim a great deal of credit for having steered us through the recession and for taking the lead internationally in ensuring that the world did not fall into a deep depression. When people vote on 6 May, they will need to look at that record. I am probably more critical of the Government than most Members of this House—I am often more critical than members of the Opposition parties—but I certainly do not want to see a Conservative Government after 6 May.

The Chancellor has shown that, although he is cautious, he is a safe pair of hands. He has spurned the idea of any kind of giveaway, and he has not played to the gallery in managing this Budget. People can respect him as a man who will continue to handle the economy effectively—even if it is not in as bold or as fair a way as

I would like—and they will need to contrast that with the alternative. The Conservatives have always argued against the very measures that have seen us through this difficult time.

The Conservatives are now calling for faster spending cuts, but we can already see a huge drop in public spending equal to 1.6 per cent. of GDP between now and the next financial year, because of the end of the fiscal stimulus. That is a huge amount for one year, and not enough has been said about that. We are the only G20 country besides Argentina to have withdrawn the fiscal stimulus so rapidly, and perhaps we need to look at that. We need to reduce our spending, but I would also like to see some of the infrastructure projects that we sorely need coming to fruition after the election. I also want to see our spending on research and development reinstated. Those decisions would not counter the recovery or our ability to reduce our structural deficit; I believe that they would assist in that aim.

It has been a great pleasure to be a Member of this House over the past 18 years. Like other Members who are retiring, I thank my constituents for giving me the opportunity to represent them here and to experience things in which I would never have had the chance to participate had I not been a Member of Parliament. I have met people from all walks of life, both humble and highly elevated, and that has been a great honour.

The House and parliamentarians are held in quite low esteem at the moment, to put it mildly. There is a common view out there that we are all the same, but I emphatically challenge that. We are not all the same; there are differences between the parties and within them. I hope that more people will take the opportunity to vote in this election than have done so in the recent past, and that when they come to put their cross against a name, they will not only consider which party they want to lead us into the future—or whether to vote tactically, if they want a hung Parliament—but look at the individual candidates.

If people want to know what their MP has been up to, they can now visit an excellent website called theyworkforyou.com. I can claim some credit for setting up that website, although I am not sure whether Members will thank me for it. The people behind the website became aware of some important parliamentary questions I had asked about a man called Jose Bustani, the general secretary of an organisation for the prevention of chemical weapons, who was sacked—

Madam Deputy Speaker (Sylvia Heal): Order. I hesitate to interrupt the hon. Lady, but I know that she is well aware that this afternoon's debate is about the Budget.

Lynne Jones: Thank you, Madam Deputy Speaker. I am going somewhat off the subject.

John Hemming (Birmingham, Yardley) (LD): I have been one of the hon. Lady's constituents since 1982 when she defeated me in Kings Norton ward on Birmingham city council. Although I have never voted for her, I want to put it on record that she has been an excellent constituency Member of Parliament.

Lynne Jones: I know of at least one other parliamentary colleague who is my constituent. It is a wonderfully diverse constituency as currently composed.

To finish my contribution, the website I mentioned is important because it allows our constituents to see what we are doing generally and what we are talking about today as we debate the Budget. It was set up because much of what we say here is not reported and is not easily accessible; on the website it is, and every constituent can see what we have been up to while we have been in Parliament and judge us on our performance. They will see that MPs are very different in what they say and what they do, as well as in how much they say and how much they do. I hope that people will take into account the quality of the individual candidate as well as the party they want to see elected.

Madam Deputy Speaker: Order. I have allowed the hon. Lady some latitude, but I know that a number of other Members are waiting to contribute to the debate. I hope that she will therefore continue, if she wishes to, and address her comments to the Budget.

Lynne Jones: Thank you, Madam Deputy Speaker. I was drawing my remarks to a close. I look forward to hearing a response from the Treasury Bench on my concerns about capital investment and inequality.

5.37 pm

Mr. David Heath (Somerton and Frome) (LD): This afternoon's debate has had a somewhat timeless quality about it—inevitably, given that respected Members of all parties are probably addressing the House for the last time. I wish them all well in their future careers or in retirement.

The hon. Member for Birmingham, Selly Oak (Lynne Jones) said that the Chancellor of the Exchequer had not played to the Gallery today; well, she can say that again. This Budget was a disappointment, but a very predictable one. I waited throughout for the rabbit to be pulled out of the hat. Normally, there is a rabbit; I predicted that this time it would be a rather scrawny, emaciated or half-skinned rabbit, but I thought there would be one. In fact, there was none. This was a holding statement of a Budget to get to the other side of the election.

What worries me about this Budget is that the British public expected and hoped for three things from it. The first, as touched on by other Members, is honesty about the dire position the country is in and how we are going to put it right by providing the deficit reduction that we all know has to be undertaken. It is absolute nonsense for the parties to pretend that one is committed to cuts while the other is committed to investment. We are going to have to make reductions in public expenditure; the question is how we do that without affecting front-line services or our constituents in ways that are deleterious either to the economy or to their personal prospects. If we simply deny the fact that that has to be done and that the national debt is increasing by £450 million each day, we will not ring true to our constituents. They know the problems and they know that the country has to face up to them.

The tragedy is that we have not heard from the Government the details of what they would do if they were in government after the election. Nor have we heard from the Conservatives what they would do if they were in a position to do it after the election. We know that serious reductions in expenditure will have to be made, which will mean difficult choices, and we need to have that grown-up debate.

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The second thing I believe people wanted from the Budget was a sense of fairness—the fairness referred to by the hon. Member for Birmingham, Selly Oak. I wanted to see a move towards a fairer taxation system, but I did not see one. I find it almost impossible to believe that after 13 years of a Labour Government, we have increased the inequality to which the hon. Lady referred—that we have a system that taxes the lowest paid proportionately more than the most well-off in our society. Increasing the threshold would have been the right way of dealing with that in the short term, but we heard nothing at all. There is stasis in the allowances, which means an even more regressive taxation system next year than the one we have had this year.

I wanted to see fairness in public-sector pay, but we heard that there was to be a flat-rate 1 per cent. cap on it. That is not fair. It is not fair to the people at the bottom of the heap, for whom 1 per cent. is a pittance, although I am sure it is very fair to the chief executives on their £200,000-a-year salaries. They will be very happy with a 1 per cent. increase, because it will buy them many more things than it will buy the home help who receives the same 1 per cent. A flat-rate cash increase across the public sector would have been much fairer than a percentage increase.

I wanted to hear about fairness in public services, and a reduction of the inequalities in those services. I still cannot explain to my constituents why a child in a school in Somerset receives, on average, £700 a year less for his or her education than the average child in England, and thousands of pounds less than a child in a leafy London suburb. That cannot be right. It is simply unfair, and it is time that it changed.

Barry Gardiner: Will the hon. Gentleman give way?

Mr. Heath: I will, very briefly. I do not want to speak for as long as some other Members have.

Barry Gardiner: I am grateful to the hon. Gentleman. Let me offer him an explanation. In the schools in my constituency, 130 different languages are spoken by the children. In one class in one of my schools a couple of years ago, 29 reception-class children had 21 first languages. The learning support needs of classes such as that require those children to receive more per capita than the children in the hon. Gentleman's constituency.

Mr. Heath: I am sure that there are also middle-class, articulate children in those schools who are receiving the same premium. That is the problem. If the premium followed the individual child so that those with needs received the extra money, there would be fairness across the system, but that is not what happens at present. We currently have a crude formula that rewards some parts of the country at the expense of others.

The issue of fairness applies to housing as well. It is simply not fair that some people can never afford to be housed in the area in which they grew up because there is no rented sector left and no affordable houses for them to buy, and they are priced out of the market. There will not be fairness in the system until we have fairness in housing.

Stewart Hosie *rose—*

Mr. Heath: I can tell that the more I speak, the more interventions I shall take and the longer other speakers will be excluded. However, I will give way briefly.

Stewart Hosie: The Chancellor has removed stamp duty from homes costing less than £250,000 for first-time buyers. Does the hon. Gentleman know of any first-time buyers in his constituency who could possibly raise the £25,000 to £50,000 deposit that a first-time buyer would need to buy a house at that price?

Mr. Heath: That is precisely the point. In my area, although perhaps not in the hon. Gentleman's, the ratio in respect of average earnings and average house prices is the highest in the country. People are trying to buy into a market that is determined by people from other parts of the country with far more money than they have, which is simply not fair.

The third element of the Budget that I would have liked to see is a real emphasis on reconstruction: reconstruction of industry, reconstruction of green investment—to be fair, the Chancellor did indicate that he was moving towards that, but I should like to see it actually happen—and reconstruction of the financial sector. Why are we so timid about dealing with the problems of the banks? Why are we so timid about recognising the value of the mutual sector and revitalising it? Why are we so timid about recognising that we cannot expect a retail bank and a casino bank to co-exist in the same organisation and work effectively together? It worries me that we have banks that are too big to fail. "Too big to fail" is anathema to me, because it means they are holding this country to ransom. They assume that the taxpayer will prop them up, and they will continue to assume that until they are cut down to size, which is what we need to do.

Let us look at the Chancellor's boasts. He says that he has got more income than he expected from the tax on bankers' bonuses; he has attracted £2 billion, which is twice as much as he had thought. The reason for that is that the banks have been paying out £4 billion in bonuses because there is a 50 per cent. tax rate. What a failure of policy! A policy that was supposed to restrict the high rollers from paying out these extraordinary bonuses has actually resulted in their being doubled in order to pay the tax bill. It is not a successful strategy, therefore.

We have seen the effect of the recession on businesses. I hope we are coming out of the recession, but I see the scars left behind: the shop closures in the high streets of the small towns and villages in my constituency. Some of those retail premises—in particular those in villages—will never reopen. The 6 per cent. shrinkage in the economy has had a dramatic effect on a lot of small businesses, and we now need the processes of local investment. Although we need the banks to be lending money, of course, we also need to find ways of localising, rather than nationalising, investment and providing opportunities. I would like there to be local stock exchanges, for instance, as they would provide investment income at a regional level. I would also like us to do something effective and long term about the business rates, which still cripple a lot of businesses.

Turning to matters affecting individuals, I have already touched on tax allowances, but the council tax continues to increase. The hon. Member for Birmingham, Selly Oak says she is supportive of council tax, but I say that it is an unfair tax because it is not related to the ability to pay, and because it increases every year, causing real problems for people on low or fixed incomes, including pensioners. Even the way it is administered is unfair.

Lynne Jones: Will the hon. Gentleman give way?

Mr. Heath: Not at the moment.

On council tax, let me quickly mention a case involving a constituent of mine, as I find the way he has been treated by Mendip district council extraordinary. This chap is being pursued for a council tax debt that was occasioned not by him, but by a former flatmate whom he had no reason to suppose had not paid and to whom he was not related. They defaulted and cannot now be found, and as a consequence my constituent has an attachment of earnings against his very limited income: £3.30 a week for a chap who is on £40 a week, for a debt he did not incur and for which he should have no responsibility, from a council that can afford to waive it. That is outrageous and immoral, and I hope we can change the way such cases are handled.

Council tax impacts on pensioners in particular, and I am worried that we still have not got the earnings link for the basic state pension. After all these years of promising, it is still something for tomorrow—although at present I do not want it to come tomorrow, because I want it to be introduced when earnings are rising significantly so that pensions also rise significantly. It is time that we restored that link, however. It is also disgraceful that the state earnings-related pension scheme—SERPS—and additional pensions have been frozen this year. We should be doing much more to provide fairness for pensioners.

It also worries me that one of the effects of this recession is to produce a cohort of young people who leave school and university with very limited prospects of finding employment. They will be overtaken by their successors unless we are prepared to do something about that. I applaud what the Chancellor had to say about extending the guarantee scheme, but I wish he would reduce the time requirement for trying to find training and employment from six to three months, as some of us have advocated, because six months is a long time in a young person's life.

I hear what is said about extra university places, but I look at the figures and they do not seem to add up. According to my back-of-the-envelope calculations, the figures seem to account for only about half the cost of those university places, so I do not know how they will be afforded. However, I do not honestly think that university places are necessarily where the investment should be made anyway. Further education is where we are seeing a starvation of funds and a lack of the right sort of skills training, which will be essential in producing the tradesmen and artisans of the future—the people we desperately need to run the economy.

I want to touch on two or three issues that affect my constituency directly. The first is the hike in fuel duty. It has been staged, but it is still there. We will still have a 1p rise, then another, and then another again, with an extra 3p on fuel duty by the end of the year. For people living in rural areas—we cannot say this often enough, can we?—having personal transport, in the form or a car, is not a luxury; it is a necessity, because they cannot go to work, go to the shops or live their lives without one. I always mention the fact that my village has one bus a week. How could anyone live their life in that village if they did not have access to private transport? Yet every time the petrol bill goes up, those who rely on their cars become one penny poorer. We need to address the issue and find alternative ways of raising revenue without continually using fuel duty.

Lembit Öpik (Montgomeryshire) (LD): I applaud my hon. Friend for his erudite and insightful observations. Does he agree that the injustice is compounded by the fact that fuel is cheaper in cities than in rural areas? That means that the people who need private transport the most pay the most for it.

Mr. Heath: That is absolutely the case. *[Interruption.]* I hear the hon. Member for Wolverhampton, South-West (Rob Marris)—sotto voce and from a sedentary position—saying, "Very green." However, there are green alternatives, such as a road pricing solution, which would dissuade people from using private cars where there were proper public transport alternatives, but not penalise people who rely on their cars because they have no alternative. That is the sort of scheme I would like to see.

While I am on the subject of fuel, I have an awful lot of hauliers in my constituency whose businesses are facing straitened circumstances. They are constantly under attack, in competitive terms, from hauliers from continental Europe, who pay a great deal less for their fuel. There is an easy solution to that, one I advocate and would have liked to hear today: to restrict the amount of fuel that can be brought into this country in a lorry, which, incidentally, would also have a safety bonus. Doing that would mean that hauliers from continental Europe working in this country would have to pay our price for diesel, not a continental price. At the moment they nip over with a full tank, do their business in Britain, undercutting our hauliers, and then go back and fill up on the other side of the channel. That cannot be a proper competitive practice.

Barry Gardiner *rose*—

Mr. Heath: This will be the very last intervention.

Barry Gardiner: I only mean to assist the hon. Gentleman. Does he agree that one thing that would go a long way to resolving the situation would be for the UK to introduce a vignette for hauliers from the continent?

Mr. Heath: There is a lot to be said for that, but we are not there yet. I am suggesting a cheap and easy solution that could be instituted immediately, and I would love to see that happen.

My second, brief point is that I notice in the detail of the Budget papers that aggregate tax has gone up by 10p again. Aggregate tax was theoretically intended to be an environmental tax, but it has never acted as one. It has never prevented the use of primary aggregates; all it has done is increase their cost. Part of the justification was that the money would be recycled into quarrying areas such as the east Mendips, where it could mitigate

[Mr. Heath]

some of the environmental effects of quarrying, but that money has now been taken away. Now, this money is spread out in an amorphous way across any body that thinks it might have a useful purpose for it. We are not even getting the direct benefit of the aggregates levy, and it is time the policy was revisited.

My main bone of contention—[Hon. Members: "Cider!"] I make no apologies for being a clichéd Somerset Member—I am going to stand up for the cider makers and apple growers of my constituency, because if I do not, who will? To increase cider duty by 10 per cent., as has been suggested, and for the leader of the Conservative party to stand up and boast that it was his idea, which the Government had filched, are things I find very difficult to take.

I do not know what the Chancellor of the Exchequer means by saying that there is anomaly when it comes to cider. The anomaly can be found in the fact that people have work, jobs and livelihoods in my part of the country, where this is a significant industry, and that the direct result of this change today will be to reverse the expansion of the industry over the past few years, to put people out of work, to close down cider makers and to grub up orchards. That is a disastrous consequence of an ill thought through policy.

If the Government's intention was to deal with the sort of high-strength industrial alcohol that has barely seen an apple in its lifetime—that has only seen a little bit of concentrate—they should have done that. Let them deal with the stuff that is sold in the supermarkets too cheaply. However, what they have done instead will affect the artisan traditional cider maker. It will put them out of business. It could have been avoided if there had been a quota or a volume limit, so that the tax did not apply if production was below a certain volume. They decided not to do that; they did not listen. They do not understand that cider orchards take a long time to plant and to bring into production, and that the return and yield on the capital takes time to mature. All of that has been put at risk by what the Government have decided today.

I have precedence on my side. In my constituency, near Curry Rivel, there is a monument called the Burton Pynsent monument. It was erected by William Pitt in thanks to Sir William Pynsent, who had given over the estate to William Pitt as a thank you for opposing cider tax back in the 18th century—

Rob Marris: Is that what you're up to?

Mr. Heath: I am not saying that I want another monument—what I want is equity and fairness for the cider makers and apple growers in my constituency. If I succeed and they want to put up another monument in Curry Rivel, I shall be delighted.

This is a retrogressive step that I bitterly oppose, and I know that it will be enormously resented by people in the west country. They will simply say that this is vindictive, that the Labour Government do not understand the west country and that they think, "Cider? Who cares about cider? We will have a go at them." For the Government to have colluded with the leader of the Conservative party in doing this is a disgrace. I, for one, will remain a revolting peasant and stand up for the people in my constituency who will be affected by this and who will lose their jobs. I shall say no.

5.58 pm

Barry Gardiner (Brent, North) (Lab): It is a pleasure to follow the hon. Member for Somerton and Frome (Mr. Heath). I cannot say that I wish to see a monument erected to him as a result of his speech, but I understand that he is championing the cause of his constituents.

The debate on the Budget is always exceedingly good on the first day, because people arrive and they have to respond to what has gone on. I have learned a great deal from many of the hon. Members who have spoken in the Chamber today. I particularly wanted to highlight the remarks made by the hon. Member for Esher and Walton (Mr. Taylor), who is retiring from this House. He spoke with his customary balance and internationalism and the House is certainly losing a considerable Member.

I also learned a great deal from the right hon. Member for Fylde (Mr. Jack), who is also leaving the House. I thought that his remarks were particularly perceptive. I must say that for the first time ever I agreed with some of the things that the right hon. Member for Hitchin and Harpenden (Mr. Lilley) said, too. I shall try to get to that in my remarks, which I shall keep brief as I appreciate that many other Members want to speak.

I believe that the important thing is that the Budget should be about confidence. Ultimately, there are key elements in the Budget, and key problems facing the country, that need to be tackled. I shall highlight five things, and speak to one or two in particular.

My first two points link confidence and bond yields. The key issue that has hung over the debate right from the beginning has been the level of Government debt. There was an exchange earlier in our proceedings about Government bonds, bond yields, and the effect of Government debt on confidence and therefore on those bonds and yields. Ultimately, all that has an effect on interest rates and inflation, and subsequently on debt again. However, I believe that there is more to be said about that circle, which is very much at the heart of the balancing act that the Chancellor had to engage in this afternoon. Right at the centre of that circle is this issue of confidence.

There are three other issues that I think are critical, and this is where I want to pick up on the remarks made by the right hon. Member for Hitchin and Harpenden. He was one the few Members to speak about productivity this afternoon, and I believe that he was absolutely right to highlight that.

I believe that, essentially, the issue of productivity is a problem of management, in both the public and private sectors. The management culture in our country is not adequate, and it is not capable of producing the levels of productivity that we need if we are to compete with our competitor countries.

Earlier this month, I tabled a written question to each Government Department. It asked the Secretary of State in each

"how many (a) disciplinary and (b) capability procedures have been initiated how many (a) disciplinary and (b) capability procedures have been (i) initiated and (ii) completed in his Department in each of the last five years; how much time on average was taken to complete each type of procedure in each such year; how many

and what proportion of his Department's staff were subject to each type of procedure in each such year; and how many and what proportion of each type of procedure resulted in the dismissal of the member of staff."—[*Official Report*, 17 March 2010; Vol. 507, c. 860W.]

I have not yet got a full set of responses, but I do have a very thick pile of them. What is astonishing to me is that it is clear that one's chance of being deemed in need of a capability procedure is less than 1:100; in fact, the odds are less than 1:1,000 that action will be taken on such a procedure and result in a dismissal.

I do not claim to be a great statistician, but I know that there is something called a bell curve. I also know that many Departments returned a nil figure for those subject to capability procedures. I believe that there is a profound failure of management in the public sector, the civil service and Government Departments, and that it extends to industry as well. That failure is partly responsible for the failure of productivity in industry and in Government.

Let me say that I believe that that failure is compounded by the fact that we do something that we—and Labour Members in particular—are quite proud of. We say that in any situation where cuts are being made we should seek voluntary redundancies first, with compulsory redundancies only as a last resort. I understand why that seems like a good thing and the drive to achieve it. However, one must appreciate that it means that people who work in a Department or industry who know that they can go elsewhere and walk into a job do so. They take the redundancy package and pocket several thousands pounds, which is very nice, say, "Thank you very much," and then walk into a job elsewhere. That means that the people who know that they cannot walk into a job elsewhere stay in the Department, which means that the Department becomes progressively less competent and productive.

That problem plagues not only the public sector, to which I am referring, but industry and the private sector, but I believe that it is compounded in Government Departments by the stress that is constantly put on outputs and activity. The focus is always on saying, "We've spent this much money, launched these initiatives and done these good things," and not on outcomes and achievements. They do not ask, "How have we advanced our key performance indicators? How many people have not died as a result of our intervention? How many gains have we made in the areas where we need to make them?" The civil service is always keen to push outputs and activity rather than be held to account in terms of outcomes and achievement. Unless we grapple with those management issues in the public sector, we will not achieve the advances in productivity that we need. Frankly, if cuts in public spending simply mean more voluntary redundancies, they may actually result in less efficient Departments that achieve less for the Government, albeit spending less at the same time.

There is a challenge for the Government and the public sector, but those points also apply to the private sector. Unless the management bodies in this country, including the CBI and the Institute of Directors, begin to take good management seriously, and unless we rigorously enforce that throughout the public sector, we are not going to achieve the gains for the public purse that I believe we would all wish to see.

I do not want to detain the House for long this afternoon, because other Members, some of whom will leave the House soon, want to speak. However, the third issue I wanted to raise is the green and high-tech stimulus. Although I welcome the £1 billion high-tech start-up investment fund that was set up—an excellent initiative—I want to point out our record regarding our stimulus and growth package directly to those on the Treasury Bench. According to the UN or the HSBC, between 6 and 16 per cent. of our package is green stimulus; but the same sources record South Korea's stimulus and growth package as between 69 and 80 per cent. green stimulus.

Let us have our £1 billion growth fund and our investment in high-tech and green technologies—that absolutely represents the way and the jobs of the future—but let us not kid ourselves that we have been doing that effectively when the levels of green investment in our stimulus and growth package are so pathetic. The Treasury absolutely has to sort that out. That is important because we need young people to get training, skills and qualifications in those sectors, where the jobs of the future will be.

That brings me to the final issue on which I want to focus—the importance of youth skills. The hon. Member for Somerton and Frome touched on this issue, and I absolutely agree with him. I welcome the extension of the youth guarantee, which is important and is one feature of the Budget that should be welcomed across the House. It is important to look at the differential support that is being given to higher and further education. The sector that is really suffering is further education, but much of the noise in the media has been captured by those very articulate chancellors and vice-chancellors of universities who are able to make a big noise. If one is honest about it, much of that has been about laying down markers for the future.

It is absolutely essential that we reconsider the package of measures that we have to provide young people with skills and training in certain industries. It is important to create avenues through which they can take apprenticeships, be encouraged to set up starter businesses out of universities, so that growth units come out of universities, and to develop the new technologies that will create the jobs of the future and gradually bring our economy through the recession.

In drawing my remarks to a close, let me say simply that the Government need to look much more carefully at the incentives they offer to the private sector to encourage productivity, because they have not been developed. We have heard about the roll-over of the capital allowances scheme for a further year to encourage investment in businesses—something else that should be welcomed by both sides of the House. However, I want much more innovative thinking on giving rewards through the tax structure for productivity in the private sector. We should be incentivising and rewarding companies for increasing their per capita output, for example, and it is a failure of this House and the Treasury that we have not been able to do so.

6.13 pm

Stewart Hosie (Dundee, East) (SNP): It has been a pleasure to hear some of today's valedictory speeches. It has also been a pleasure to follow the hon. Member for Brent, North (Barry Gardiner), who mentioned the fiscal stimulus. The hon. Member for Birmingham,

[Stewart Hosie]

Selly Oak (Lynne Jones) also mentioned the fiscal stimulus. Indeed, one of the few times that she praised the Government was when she said that they had taken a lead in some of their work to tackle the difficulties of the recession, but the UK's fiscal stimulus package, which relates directly to the Budget, came after the first stimulus package in the United States. It also came after the packages introduced by the French, with their 100,000 subsidised work contracts, by the Spanish and by the Japanese, who provided $20 billion simply to help households with mortgages. That is almost as much as the total UK fiscal stimulus package. Our package even came after Germany's first $50 billion stimulus—so although I agree with many of the things that have been done, the idea that the UK took the lead is false.

The hon. Lady was correct, however, when she quoted the International Monetary Fund later in her speech in relation to the suggestion that the UK is the only G7 economy, and one of only two in the G20, fully to withdraw its fiscal stimulus package in 2010. She was also right to be critical about investment, and this relates directly to growth. If we look at investment in productive assets for the future—in gross fixed capital formation—since the Government came to power, we find that on the OECD 12 list, the UK beat Russia for the first three years after 1997, and Turkey for the next two, but was beaten by everyone else, and has been bottom of the pile every year since then. Even on the wider G20 scoring for the last full year, the UK's investment was larger than only Argentina's and Brazil's, and of course our investment in gross fixed capital formation has been below the EU average in every year since the Government came to power.

Today's Budget speech was a pretty miserable epitaph after 13 years, coming at a time when unemployment is higher than it was under the Tories when Labour came to power in 1997. The speech confirmed that the deficit, even at £167 billion, will still be some 12 per cent. of GDP. It confirmed a national debt of £1 trillion, and £1.1 trillion next year, and that that will rise on the Treasury calculation to just shy of 90 per cent. of GDP in a few years.

Of course, the Budget also confirmed the cut to the Scottish budget in the coming year. The budget was forecast in the 2008 pre-Budget report at £30 billion—£3.5 billion of capital and £26.5 billion of revenue—but today's figures for 2010-11 are £3.2 billion and £26.2 billion, or a total of £29.4 billion, which represents a cut in the anticipated budget of at least £500 million.

The Chancellor also confirmed that no matter what the Government say, their approach to tackling the problems, and especially the deficit, remains one of deep and savage cuts. It is still expected that £57 billion will be taken out of consumption—taken out of the economy—in 2013-14. That is made up of nearly £20 billion in tax rises and nearly £40 billion in cuts, and I ask the Government how they can conclude that taking the equivalent of 3 per cent. of GDP in consumption out of the economy in a single year will do anything other than tip the economy back into recession, especially when the GDP forecasts are based on growth rates of 3.25 per cent. in four of the next five years. We have already heard that that would be at least a point above trend growth, and we are coming from a difficult situation in which a great deal of capacity and output has been lost. I suspect that few believe those growth rates, but if we do not have growth of 3.25 per cent. in four of the next five years, and the Government stick to the plan in the Fiscal Responsibility Bill, the cuts will need to be even deeper. We will then run the risk that if we hit a downturn, we will not have the flexibility to use even the automatic stabilisers, let alone a fiscal stimulus, if we thought that that was required.

The Chancellor suggested that he wanted a Budget for growth, but he instead delivered a recipe for disaster, not least because although he restructured the fuel duty increase—we are now getting three 1p increases over the next year—that will add to the three increases in December 2008, April 2009 and September 2009. Those six fuel duty increases in the space of barely two years will represent something close to a 16 per cent. rise in fuel duty, which is massively above inflation, and that will put more pressure on hauliers and families, as well as being an inflationary measure in its own right.

I am indebted to Alliance Trust for its most recent inflation report, which tells us that real inflation for people between the ages of 50 and 64 is 4.5 per cent.—some 50 per cent. higher than the official rate. That means that with national insurance going up, which was barely mentioned today, and tax allowances frozen, which was possibly not mentioned at all today, plus the rises in fuel duty, we are seeing a very real cut in the living standards of ordinary people. The bankers still got their bonuses, and the banks, not the bankers, paid the tax—but again under this Government it is ordinary people who will pay the price.

What the Budget failed to do, and the Chancellor ought to have done, is to recognise that recovery remains fragile and deliver a continued fiscal stimulus to ensure sustainable recovery. Instead, as I said, he confirmed, in effect, that the UK is the only G7 economy fully to withdraw its fiscal stimulus package this year. The fact that total managed expenditure is down £2.7 billion on the forecast given in the PBR late last year tells its own story.

If we were serious about rebalancing the economy to make up for the 1 million manufacturing jobs lost before the recession and the many lost during it, we would have had far more information about the various incentives for growth. I genuinely hope that the equity and venture capital fund for growth works. I hope that RBS and Lloyds will lend money, and that that was not simply an assertion—although when we hear about the actuality that followed the rhetoric of the past year, I am not so sure.

I hope the Government are telling the truth when they say that they will introduce a system for the video games industry similar to that used for the film industry; that is dreadfully important in Dundee. Yet the Red Book tells us that in terms of assistance for video games, there will be no cost to the Exchequer in 2010-11. That means no action in 2010-11. Another industry sector will have to wait down the line while its competitors in Canada and other countries are racing ahead with incentives and looking to take the work and the contracts away from the UK.

I was pleased that the Chancellor spoke about the green investment bank, but if we are serious about protecting the environment and growing the economy, serious about carbon capture and storage, serious about

a biomass non-nuclear base load, serious about offshore wind, wave and tidal, and serious about growing a biomass supply chain, what he could have done today, and what the Treasury should have done, is to change its rules at least to free up the £200 million of fossil fuel levy sitting in a bank account, which can be used by the Scottish Government only to pump-prime such projects, and to change the ridiculous rules that would have seen the same amount of money cut from the block, putting further pressure on other jobs and services.

It has been said before that with household consumption down 1.9 per cent. last year, business investment down 24 per cent., and gross fixed capital formation down 14 per cent., it was only Government investment that propped the economy up. I cannot for the life of me understand why we are seeing cuts now, before we have sustained recovery. If the Government understood that, why would they have pressed on with national insurance increases that will take £10 billion in tax from employers and employees over the next three years?

The Chancellor spoke a little about the banks and about the success of the bank bonus levy, but that tax is paid not by the bankers but by the banks. He seemed delighted to get an extra £2 billion, but that is £2 billion less to lend to real families and real businesses in the real economy. The tragedy, as I said at the beginning, is that the Budget amounts to a pretence that Labour is investing, when the plans are to cut public expenditure and investment.

At least Lord Mandelson was right last year when he spoke about 10 years of austerity under Labour, but it is not austerity that Scotland needs and it is certainly not austerity that the UK economy needs. What Scotland and the UK need is help to get moving, but the Budget today, I fear, does not deliver. It is not a plan for economic renewal, but a political dividing line. It is designed not to deliver growth in the economy for years or decades ahead, but to hide the nature of the Labour cuts to get the Government through to the election in six weeks' time.

6.24 pm

Mr. Andrew Tyrie (Chichester) (Con): I agree with quite a bit of the analysis by the hon. Member for Dundee, East (Stewart Hosie), but not with the proposed policy response, which was, in sum, from my own English perspective, rather a good case for creating fiscal independence for the Scots. However, I will not develop that theme because I want to make some points about the Budget.

This Budget, like all Budgets, should be about accomplishing at least three things. First, a Budget should ensure that the public finances are in reasonable shape and that overall financial policy is on a sound footing. Secondly, it should try to contribute to a credible framework for long-term growth. That requires clarity about the role and limits of government, and a consistency of approach, particularly on taxation, so that the private sector can take decisions in a relatively stable framework. Thirdly, it requires an underlying long-term strategy that the country can understand and accept. Without that public confidence in the policy, any Government action, even when it is right, is unlikely to succeed.

I shall say a few words on each aspect, mainly the first—financial policy. More or less from the moment he arrived, this Chancellor has been forced to choose between loyalty to the Prime Minister and his party on the one hand, and the best interests of the economy and the country on the other. This Budget is the product of that conflict of loyalty—a phrase that will be familiar to a number of Conservatives in respect of the relationship between Foreign Secretaries and Prime Ministers, as well as Chancellors. The struggle between what the economy needs and what we have, as between the Chancellor's view and the demands that his Prime Minister has been making, were on display today. Everybody in the House—there are not many of us, mind you—knows that Labour's huge structural deficit has to be closed. If it is not closed, then, frankly, financial ruin awaits Britain—a Greek experience. Everybody knows that that can only be done by cutting public spending, among other things. That, in turn, requires a spending review, with announcements of where the cuts will be made and how the most vulnerable in our society will be protected from them.

However, this Budget has persisted with the opposite strategy. The spending review remains postponed, and little extra work has been done to plug the gaping hole in the credibility gap of Labour's financial strategy. This has all happened despite the fact that, even over the past six months, the Chancellor could at least have conducted an internal review and given us some idea of where he is going, which a number of Labour Ministers privately think would have been a preferable strategy. He could have bolstered economic confidence by at least beginning the process of rebuilding the Government's shattered reputation for fiscal management. However, that would have meant going to the electorate with many unpalatable spending cuts out in the open, while confirming an unpalatable truth: that much of the spending binge that we have experienced over the past decade, which took public expenditure from 36 or 37 per cent. of GDP to 48 per cent.—a colossal rise—was a profound mistake. To spell out a reversal of policy, even one which everybody knows that the country needs, would have meant confirming that the Prime Minister's record of economic management was also a ghastly mistake.

Mr. William Cash (Stone) (Con): Will my hon. Friend give way?

Mr. Tyrie: I will just this once, although I know that another Member is waiting to speak.

Mr. Cash: My hon. Friend has enormous experience of these economic matters, and I wonder whether he has a view about the extent of the true debt, because I have just had a letter from Sir Michael Scholar, the chairman of UK National Statistics, confirming that the ONS figure, including financial sector interventions, would be as much as £3.2 trillion.

Mr. Tyrie: I am familiar with these arguments and with the £3.2 trillion figure. I think that there is probably an understatement of the total stock of Government debt and that the true figure lies somewhere between that figure and the Government's figure. When we get into government—in a few weeks' time, I hope—the office for budget responsibility will need to establish what figure the Government should use as the basis for their economic policy and strategy, which is not necessarily the figure that a statistician would think is the right one for the purpose of Government statistics, but one that an economist would consider appropriate for setting policy.

[Mr. Tyrie]

As I was saying a moment ago, setting out in detail what is required to deal with the fiscal mess that we are in would have also meant confirming the Prime Minister's personal responsibility for the boom and bust that we have just experienced. It was not just many of the spending increases that were wrong-headed—damaging enough though they have been, generating a deficit of about 12 per cent. of GDP—but the rhetoric that accompanied them. Millions of individuals and companies up and down the land are living right now with the consequences of having believed the Prime Minister's mantra when he was Chancellor that he had put an end to boom and bust. They went out and borrowed more than they otherwise would have done because they trusted his mantra.

Andrew Stunell (Hazel Grove) (LD): Will the hon. Gentleman give way?

Mr. Tyrie: I will not, if the hon. Gentleman will forgive me.

The Prime Minister is not just responsible for the massive public debt; he also bears a considerable burden of responsibility for the unsustainable increase in personal and corporate debt over the past decade. He encouraged the actions of those who were misled into borrowing more than they should.

Given all that, I can well understand why the Chancellor backed off giving us a Jenkins-style Budget. In 1970, Roy Jenkins did tell the truth and tightened policy, but he lost the election. In his case, of course, at least he was doing that at a time when he did not simultaneously have to confirm that his Prime Minister was a broken reed.

Of course, the boom and bust rhetoric has been abandoned. So, incidentally, has the word "stability". It was mentioned on average 11 times in every Budget speech that the Prime Minister made when he was Chancellor. In the past two Budget speeches—I listened carefully to this one—I did not hear the word mentioned once. Stability is out. Perhaps it was in there somewhere, but if so it passed me by.

I have already said a few words about the Prime Minister's first two contributions to Britain's current dire economic predicament, the spending binge and the rhetoric of boom and bust. The Chancellor, who is a hapless man in some ways, has found his Department responsible for covering the Prime Minister's tracks for a third blunder that he made when he was Chancellor—the tearing up of the system of banking supervision that was in place in 1997 and its replacement with a new system, the tripartite arrangement, which failed its first test. Worse still, only a few weeks ago the Chancellor found himself having to try to justify the Prime Minister's imposition of another piece of rhetorical nonsense legislation, the so-called Fiscal Responsibility Act. In fact, it is worse than nonsense, as it would require the fiscal stabilisers to be set aside in the event of a double-dip recession.

Tucked away in the fine print of the Red Book—I have been sitting here all afternoon, so I have had a chance to glance at it—is an attempt to reconstruct what looks like the code for fiscal stability, the same code that lies in a heap of rubble alongside the golden rule and the sustainable investment rule. Interestingly enough, it is relegated to a footnote on page 31, whereas in the old days there used to be a glossy publication accompanying the Red Book. That is a measure of the Government's loss of confidence in their own ability to make the case for stability.

The second great task for any Budget to accomplish is to contribute to a programme for long-term prosperity—a growth agenda. I never believed that new Labour's economic strategy for growth was coherent, even when I used to hear it when Labour was in opposition. It has often seemed to consist of a long list of micro-measures, frequently altered and usually requiring higher spending and tax. Many have brought with them a higher regulatory burden, as the Institute of Directors has pointed out, and many have led to complex tax changes that are more distortive than they have been effective.

The Chancellor added to that today when he announced £2.5 billion of so-called investment for industry. The extra money comes out of a slight improvement, which the Chancellor also announced today, in overall public finances since the pre-Budget report, but whatever the merits of the measures it seems highly irresponsible to use that small amount of extra room to start spending more. Surely the logical thing must have been—should have been—to use it to start reducing the deficit. Each individual spending measure could have some merit, but it looks as if this Budget, in any case, has just given us more of the same: meddling in the economy with taxpayers' money.

The counterpart to the accumulation of all those tax rises in recent years, huge as they have been, is the increase in public spending, along with borrowing. The dramatic rises in spending have almost certainly reshaped the British economy—in my view, for the worse. Some measures may have been right, but cumulatively, when the dust has settled, it will be clear that they have reduced, not increased, the UK's long-run growth rate.

Perniciously, much of that spending has been described as investment—an abuse of language. I very much hope that in the next few weeks, when we have, I hope, a new Government, we will get back to calling the salaries of teachers and doctors, for example, expenditure rather than investment. Honest language is a necessary counterpart to honest finance from the Treasury, as are honest statistics and forecasts, which I hope will come with the creation of an office for budget responsibility.

I can well understand that setting out how to dismantle the Prime Minister's public expenditure empire has been too much for the Chancellor, and it has for another reason. Much of the spending has created its own interest groups. One has only to look, for example, at the growth of the quango state. Quangos are everywhere, and many have become state-funded lobby groups. They pervade British life and are powerful pressure groups, impeding any reductions in spending. They may be a way of buying votes and maintaining political support, but such spending does not amount to a strategy for public expenditure or growth in the long run.

"New Labour was a strategy for winning power...not for dealing with Britain's fundamental problems, such as our inability to pay our way in the world, the pools of poverty and deprivation, and the widening social gaps... these were Labour's lucky years, with steady growth, a balance of payments cushioned by oil, the City pouring out money, the majority kept happy by rising house prices and living standards improved by accumulating debt. This

food's paradise conned New Labour into thinking that its policies"...were working, when in fact all was bubble-blowing."

Those are not my words but those of the hon. Member for Great Grimsby (Mr. Mitchell), and you will find them, Mr. Deputy Speaker, on page 41 of *The House Magazine*.

Nor has Labour delivered a strategy for success in its own terms—helping the poor and vulnerable in society. That should always be, and has always been, a central task for any responsible Government, and to be frank the record is very mixed. The right hon. Member for Birkenhead (Mr. Field) said that there has been a

"steady increase in the numbers dependent on meanstested assistance... an increase in the number of families pushed onto meanstested assistance... and ... more and more people are eligible for one form or another of meanstested relief."

He said:

"The tax burden of families"

has risen—

"faster than for other groups."

and he concluded:

"These failures cannot be explained away entirely by the collapse of the...Labour Government's economic strategy."

The interesting thing about those remarks is that the right hon. Gentleman did not write them a few weeks ago; he wrote those words in 1979 in a book entitled, "What Went Wrong", after Labour's last disastrous spell in office.

History, of course, does not exactly repeat itself. Not all the poverty figures have deteriorated exactly as they did last time, and nor, as a matter of fact, are the industrial action on our streets today and Labour's vulnerability to the power of the unions owing to the extent to which it is dependent on them for funding, as serious as that was a quarter of a century ago.

The similarities, however, are at least as strong as the contrasts. A misunderstanding about what creates and sustains growth, and complacency about growth and how to maintain it, have always been hallmarks of Labour Governments, including this one. Today, the Chancellor announced his forecast for growth, above trend—3 to 3.5 per cent. for 2011. It might happen, but it is well above the average of independent forecasts. I hope that it happens, but I cannot help feeling uneasy about relying on it, as he has. I cannot help sensing that those optimistic numbers have more to do with showing a plausible forecast for the reduction in the deficit than with confidence in the economy's resilience.

Seven years ago, in a major publication on economic policy published by the Treasury, the Prime Minister wrote:

"in 1997, as in 1944"

he does not do things by half measures, does our Prime Minister—

"a new paradigm"

was required with

"far more effective mechanisms for crisis prevention"

and

"far greater attention to financial stability".

The introduction of the same book reads:

"No doubt in the years to come, as the UK economy experiences various shocks, it will be possible to assess the strengths and weaknesses of the new system."

the one that he had just announced and was putting in place.

Those years have come and gone. The weaknesses of Labour economic strategy have been brutally exposed and much damage has been done. We now need another Government, and a fresh team, to repair the damage.

6.42 pm

Rob Marris (Wolverhampton, South-West) (Lab): It is a pleasure to follow the hon. Member for Chichester (Mr. Tyrie). I often disagree with most of what he says, as I do today, but he is always thoughtful and well worth listening to. That is in the nature of parliamentary debate.

I want to start my remarks on the Budget, somewhat prosaically, on the question of excise duty on beer, which is no less than the Economic Secretary to the Treasury, my hon. Friend the Member for Dudley, South (Ian Pearson) would expect, because he, like me, is a west midlands man. The three main pub chains in the United Kingdom are based in the west midlands—Enterprise Inns, Punch Taverns and, of course, Marston's, as it now is, but Banks's, as my hon. Friend and I have known it for 40 or more years. I am proud to say that Banks's brewery, as it was—Marston's now—is headquartered in my constituency. Not only is it in charge of the third largest pub chain in the UK; it is a major brewery in its own right.

I am dismayed that the Government, yet again, have put up excise duty on beer to the tune of 2p a pint—2 per cent. above inflation. We have a problem with alcohol in our society, but generally it does not emanate from pubs or people drinking Somerset cider, which was referred to earlier by the hon. Member for Somerton and Frome (Mr. Heath); it comes from cheap off-licence alcohol, and often from what one might refer to as chemical cider—if it has been near an apple, it is because it passed a vegetable or fruit wagon on the road going the other way.

Of course, putting up duty on cider to a swingeing level might have an effect on chemical cider, and on drinking in a way that contributes too often to antisocial behaviour, but it will also hurt pubs. That is true not only of cider but particularly beer, which is a major drink in our society. Cider, of course, is a great drink, but less widely drunk in the UK. This is a case of the Government looking at a problem but coming up with the wrong solution. So I make my annual plea to the Government—it has not been successful so far, but it is worth continuing to make it—to rethink the increase in excise on beer and to focus their efforts on the minimum price proposals. Indeed, those are being discussed in Scotland, although I do not know if they have been enacted there. That would do more to tackle the antisocial behaviour about which many people are concerned.

Turning from that somewhat local issue—the excellent Marston's is in my constituency—with national ramifications, I want to look at the bigger picture of the national debt. Public finances are under considerable pressure in the United Kingdom at the moment; that is no secret. We are all aware of that, and so are just about

[Rob Marris]

all our constituents. I was, however, somewhat heartened by the Chancellor's predictions today. Of course, they might prove over-optimistic, although that has not often been the case for Treasury forecasts in the past.

Table 2.3 on page 25 of the Red Book repeats some of the statistics the Chancellor mentioned in his Budget speech. It states that the accumulated public sector net debt will rise from 43.8 per cent. of GDP in the financial year 2008-09 to 74.9 per cent. in 2014-15, which is as far as the table goes. That is a considerable rise. That would lead to the United Kingdom having an accumulated national debt lower than or broadly equivalent to that of major competitors such as France, Germany and the United States. Canada is the exception, in that its accumulated net debt is considerably lower, although it is increasing somewhat during the recession.

Mr. Cash: Will the hon. Gentleman give way?

Rob Marris: I am afraid I do not have time.

Table 2.3 also states that public sector net borrowing would peak at 11.8 per cent. in the year that we are just finishing, and fall to 4 per cent. by 2014-15. Four per cent. is still a big deficit to be running after five years, but it is not nearly as big as I feared it might be, because of the steps taken by this Government to secure the recovery. We need to strike a balance on the economic level—I will come to the human level in a minute—between making cuts, because we cannot carry on running such a deficit and because of the need to reassure the international capital markets, and cutting too soon, as the Conservatives are proposing, which would jeopardise the economic recovery. In those circumstances, growth—anaemic as it has been in the past quarter—might stall completely, placing even greater pressure on public finances.

Disappointingly, the Leader of the Opposition hardly put forward a single proposal today that had any meat on its bones regarding what this country should do, given the state of our public finances. He intimated that, in his view, the Chancellor was not cutting enough and not cutting quickly enough—an honourable and coherent position, but one with which I profoundly disagree—but there was no meat on those bones. I understand that there is an Opposition policy on bank bonuses, which is now broadly shared by the Government. That is to be welcomed. There is also a proposal for a Tobin tax—sometimes called the Robin Hood tax. The Government's position is that such a tax should have multilateral agreement, which is sensible. The Conservative position is to introduce it unilaterally, which is surprising. The Lord Mayor of London has described that plan as "bonkers". The Conservatives might know more than I do, but it does seem strange to go unilateral on that, however desirable the effect of the tax might be.

The right hon. Member for Witney (Mr. Cameron) also mentioned a council tax freeze. Attractive as that might sound, such a proposal flies in the face of what is often said on both sides of the House about local control and decentralisation. It is all very well to go for local control, decentralisation and all those nice clichés about empowering the people, but when central Government want to freeze council tax or prevent the closure of a hospital—which is Conservative policy—we get back to centralisation. Getting that balance right is a constant problem for politicians on both sides of the House.

Another subject that the Leader of the Opposition did not mention today—although it was brought up indirectly in the Budget in relation to the freeze on inheritance tax allowances for at least the next year—was the Conservative proposal for an inheritance tax windfall for 3,000 of the wealthiest families in the country. I do not think that that is a good way to proceed. It is intellectually coherent, but I just happen to disagree with it. It goes against my prejudices and I think that it is wrong.

The Leader of the Opposition in attacking the Budget was right to say—quite accurately, as far as I am aware—that the UK entered this recession sooner than many other countries and will come out of it later than many other countries. What that critique singularly overlooks, however, is that the recession in the UK has been markedly shallower than that in many of our competitor countries, which has had a real effect on employment. Unemployment in Spain is at 19.3 per cent.; here, it is 8.2 per cent. That affects an awful lot of people's lives. It is not just a question of the length of the recession in this country; its shallowness, importantly, has had a positive effect on people's lives. Many people are in work who might well not have been if the Government had not taken the steps they did to lessen the effects of the recession.

Mr. Tyrie: The hon. Gentleman has the figures in front of him, but I have not. However, I think he will find that, peak to trough, the fall was faster and deeper here than in any other major industrialised country. If it was not actually the deepest, it was very near to it. The Minister disagrees, but he can read the figures in a few days' time and tell me exactly where we are in the pecking order. In any case, employment in the labour market has been more resilient, but that is due to reforms the Conservatives put through in the 1980s and '90s, which, luckily, Labour did not dismantle.

Rob Marris: My understanding is that the recession has been deeper in Germany and Japan, for example. In fact, Germany may now be going back into recession. Of course the recession has been big in this country; I believe our GDP shrunk by about 6.2 per cent. last year. It is big, but when it comes to unemployment, although the recession has had an awful effect in this country, it is not nearly as bad as it is in some of our competitor countries—I think I am right in saying in every other G7 country, including Canada, which on just about every other statistic has been much better placed than the UK.

Let us look at the broad approach of what a Government should be doing. Again, the Leader of the Opposition is very honest. He says, "If you want to see what we would do if the Conservative party were in government, look at what councils are doing". His approach to the economy and the Budget was openly enunciated in his speech to the Conservative party conference last autumn when he berated "big government". There is a big ideological divide there: I think there is a lot to be said for a Government protecting people, which my Government—I am proud to say—have tried to do with some success during the recession.

If we look at the economic policies of Wolverhampton city council, we see that the Opposition approach to the economy is to use the state of public finances as a cover for shrinking the state. That is what they wish to do. I do not wish, as a Labour MP, to shrink the state. There is a big ideological divide. *[Interruption.]* The hon. Member for Stone (Mr. Cash) shouts out "Shame" from a sedentary position. He is open and honest as ever—we are both west midlands MPs—as he thinks, broadly, that less government, not necessarily minimal government, is a good way to go. I disagree.

The ideological approach can be seen in Wolverhampton city council, controlled by a joint administration of Conservatives and Liberal Democrats, which is making cuts. My hon. Friend the Economic Secretary is a west midlands MP, too—our constituencies share a local newspaper—so he will know all about the big cuts going on. Five community centres have closed and the price of meals on wheels has almost doubled. Sheltered accommodation in my constituency has been closed to save money. A care home was closed in the Wolverhampton, North-East constituency to save money and a 106-year-old woman was e[illegible] in the snow. The Minister might have seen th[illegible]e in the newspaper, while other Members m[illegible]ware of it because it was on national television [illegible]ld be understandable if it were part of a neces[illegible]uts programme, but it is not; it is totally ideolog[illegible]y driven. I do not have a problem with that as long a[illegible] people are honest about it.

Why do I say this is ideologically driven? The Conservative-Liberal Democrat administration has controlled Wolverhampton city council for nearly two years, so what have we seen over that time in respect of moneys from central Government, which make up three quarters of funding for any council in England? There has been an above-inflation increase from central Government in their subvention to Wolverhampton city council, yet it still goes on saying—frankly, I think it is a lie—"We have to cut £40 million from the council budget". Well, it does not; it chooses to make that cut—which is fine, but let us have an open, honest debate about it.

Lynne Jones: I have a leaflet here from the Conservative candidate for Birmingham, Hall Green. On one side it says "Only the Conservatives are promising cuts before the election", which is risky but honest. On the other side, however, it condemns cuts in the constituency budget. Although the budget is controlled by the Liberal Democrats, it comes from a council that is run by the Conservatives and the Liberal Democrats.

Rob Marris: Sadly, 'twas ever thus, was it not, with certain Janus-faced politicians in certain local authorities in the west midlands, and, I believe, elsewhere?

Let me end by thanking the Government for acceding to a campaign that I, and others, have been running for some time on the question of capital allowances, which are vital to areas such as the west midlands that depend heavily on manufacturing. Let us be clear about the facts. Although there has been a huge decline in the number of people in the United Kingdom who are employed in manufacturing—it is awful for those who lose their jobs, across the west midlands and elsewhere, when factories close—there has been no decline in manufacturing output.

This is partly to do with what my hon. Friend the Member for Brent, North (Barry Gardiner) said about productivity. Productivity in UK manufacturing across the piece, not necessarily in every sector or every workshop but in terms of the broad figures, has increased a great deal. There are very similar levels of manufacturing output—in fact, they have slightly increased under the present Government—along with markedly lower levels of employment. That is what we get if we increase output per person hour.

Manufacturing remains vital to the UK economy and its future, both in the context of the way in which the economy runs and as a motor to help us emerge from the recession. It still accounts for roughly 50 per cent. by value of our exports, and I am pleased to say that we are still the sixth biggest manufacturer in the world. I read nonsense in newspapers like *The Daily Telegraph* about the death of manufacturing and the fact that we do not make things here any more. It is complete balderdash. I want more manufacturing—especially in the west midlands, obviously—and I want more manufacturing employment in an expanding sector that is helping to take us out of the recession.

Leaving aside what the Government have done for research and development and so on in the Budget and the pre-Budget report, I can tell the House that in the Budget capital allowances have been increased markedly, which will have a particularly beneficial effect on smaller businesses. We need those capital allowances to encourage the investment that will enable us to drive forward for the future, and the Government were absolutely right to increase them.

I must, with some sadness, contrast that with the position of the Conservative party. Some of its members may not know this, but the Conservative party has a clearly enunciated policy of cutting capital allowances. It seems absolutely potty to me to take billions of pounds away from manufacturing by cutting capital allowances just when there is a consensus in our economy and our society that we need to nurture manufacturing, and that we must enable it to expand so that it can help to pull us out of the recession.

I am proud that the Government are increasing capital allowances to help manufacturing. I contrast them with a Conservative party which seems to have learned very little, if anything, about manufacturing, and wants to cut capital allowances. How sad can you get?

Ordered, That the debate be now adjourned.—(*Kerry McCarthy.*)

Debate to be resumed tomorrow.

PETITIONS

Soundproof Fencing (A50 Staffordshire)

6.59 pm

Mr. William Cash (Stone) (Con): It is my honour to present the following petition, which I strongly support.

The petition states:

The Petition of residents in Staffordshire regarding the failure of the Highways Agency to have provided the promised and effective soundproof fencing along the A50 running next to their properties.

Declares that the petitioners recognise the Highways Agency promised effective soundproof fencing along the A50, that the Agency's plans for fencing was either not erected or where it was

[Mr. William Cash]

erected made little or no difference, that this has left a constant noise so that it is no longer possible to sit out in their gardens, or sleep in bedrooms closest to the A50, and which has left many with a poor quality of life.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Transport to do all in his power to ensure that the Highways Agency deliver the promised soundproof fencing which runs along the Blythe Bridge area of the A50.

And the Petitioners remain, etc.

[P000775]

Newborough Pharmacy (Peterborough)

7.1 pm

Mr. Stewart Jackson (Peterborough) (Con): I rise to present the following petition.

The petition states:

The Humble Petition of Sharmeen Datoo of 1317 Lincoln Road, Peterborough, PE4 6LW,

Sheweth, that Newborough Pharmacy in Newborough, Peterborough be supported and kept open. This pharmacy provides a valuable and much needed service. It will be a great loss to the community if the pharmacy is to close on account of lack of your support.

Wherefore your Petitioners pray that your Honourable House asks the Secretary of State for Health that he does all in his power to ensure that the Pharmacy in Newborough, Peterborough remains open. Furthermore that he asks the Peterborough Primary Care Trust to review its decision to grant dispensing permissions to another Practice in the City to dispense in Newborough.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000776]

Kurds (Human Rights)

7.2 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): I have 10 petitions to present tonight, out of 27 petitions that have come to the House, and which have been signed by many thousands of Croydon residents. As a courtesy, I shall only read the prayers relating to the petitions.

This petition states:

The Petition of the people of Croydon and its environs,

Declares that ethnic Kurds in Kurdistan do not receive the human rights that they are entitled to expect.

The Petitioners therefore request that the House of Commons urges the Government to take steps to liaise with its international partners in the European Union and further a field to lobby for improved human rights for Kurds in Turkey, Syria, Iraq and Iran.

And the Petitioners remain, etc.

[P000777]

Freedom Pass (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon,

Declares that the Freedom Pass is essential to the quality of life of many Croydon residents, and that the change in funding of the Freedom Pass may compromise the scheme.

The Petitioners therefore request that the House of Commons urges the Government to take such steps as are necessary to ensure the scheme continues.

And the Petitioners remain, etc.

[P000778]

Shirley Hills Viewpoint (Croydon)

7.3 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon,

Declares that the Shirley Hills viewpoint is in sad disrepair.

The Petitioners therefore request that the House of Commons urges the Government to encourage the London Borough of Croydon local council to return the Shirley Hills viewpoint to its former glory.

And the Petitioners remain, etc.

[P000779]

East Croydon Station

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon,

Declares that the slopes at East Croydon station can be an especial challenge for the frail and unwell.

The Petitioners therefore request that the House of Commons urges the Government to encourage Network Rail to work to improve accessibility at East Croydon station.

And the Petitioners remain, etc.

[P000780]

Rail Capacity (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon,

Declares that the service provided between Croydon and London stations is insufficient to meet demand, with unacceptable levels of overcrowding for hard working commuters and late night travellers.

The Petitioners therefore request that the House of Commons urges the Government to increase rail capacity to Croydon.

And the Petitioners remain, etc.

[P000781]

EU Referendum

7.4 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon,

Declares that there should be a referendum on European Union membership.

The Petitioners therefore request that the House of Commons urges the Government to call a referendum on EU membership at the same time as the next General Election.

And the Petitioners remain, etc.

[P000782]

Human Trafficking

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon,

Declares that human trafficking continues to blight our town.

The Petitioners therefore request that the House of Commons urges the Government to use its influence to maintain a dedicated anti-trafficking unit in the Metropolitan Police.

And the Petitioners remain, etc.

[P000783]

Traffic Accidents (Addiscombe, Croydon)

7.5 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Addiscombe.

Declares that they are concerned about road traffic accidents in the Lower Addiscombe Road on and near the zebra crossing at the old Addiscombe railway site.

The Petitioners therefore request that the House of Commons urges the Government to encourage the authorities to introduce a pedestrian activated traffic light controlled crossing to replace the zebra crossing on the Lower Addiscombe Road at the old Addiscombe railway site.

And the Petitioners remain, etc.

[P000784]

Traffic Accidents (Coombe Lane, Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon.

Declares that they are concerned about serious road traffic accidents on Coombe Lane, Croydon.

The Petitioners therefore request that the House of Commons urges the Government to encourage the authorities to introduce improved road safety measures on Coombe Lane, Croydon.

And the Petitioners remain, etc.

[P000785]

Anti-Social Behaviour (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): I am most grateful for your tolerance of such a large number of petitions, Mr. Deputy Speaker. The final petition states:

The Petition of the people of New Addington and Fieldway wards.

Declares that they are concerned that numerous cars have been broken into and damaged, while bins have been repeatedly set on fire around Oak Bank.

The Petitioners therefore request that the House of Commons urges the Government to encourage the authorities to introduce improved lighting and an increased police presence in Oak Bank.

And the Petitioners remain, etc.

[P000786]

British High Commission in South Africa

Motion made, and Question proposed, That this House do now adjourn.—*(Kerry McCarthy.)*

7.6 pm

Miss Ann Widdecombe (Maidstone and The Weald) (Con): I am very grateful indeed to have the opportunity this evening to raise the case of my constituent Mr. David Acott, his wife Belinda Acott, and their children Keegan and Kaylee. I am sad to have to say that they have received very short shrift, both from the high commission in Pretoria and from Lunar house.

I am delighted to see the Minister for Borders and Immigration—a Home Office Minister—in his place. I am sure that shortly he will tell me that he will ensure that my comments are duly relayed to his colleagues in the Foreign Office, but I want considerably more than just for those comments to be relayed. I would like a definitive response from the Foreign Office on how aware it is of day-to-day operations in Pretoria at the high commission and on what measures it will put in place to improve the levels of courtesy and helpfulness and, for that matter, the levels of sheer, plain accessibility to British citizens.

David Acott, who now resides in my constituency, is a British citizen—he has a United Kingdom passport—but his wife, Belinda Acott, and their children are not. They travel on South African passports. Mr. and Mrs. Acott have been married for 11 years, and their children are aged nine and four. Throughout their marriage, both the husband and wife have been employed full time, and they are by no means lazy or without resourcefulness. They had lived their whole lives in Zimbabwe, until 2001, when they were given 24 hours to leave their farm, as the war veterans were taking it over. I wonder how the Minister or I would feel if we were given 24 hours to leave our homes, without the slightest notion of what we were going to do next.

What should have happened at that point is this. Because Mr. Acott is a British citizen, the family should have come back here, and his wife and children should have claimed asylum, which most Zimbabweans who were turned out of their farms have been successful in obtaining. However, they did not do that. They are self-sufficient individuals. They were afraid for the safety of their elder child, who at that stage was not even two. So, they left Zimbabwe and crossed the border into South Africa with just three suitcases. At that stage, they thought that South Africa was a viable option because they have relatives there and because it is much closer to Zimbabwe than the UK.

They could not take any money out of Zimbabwe, because the Reserve Bank of Zimbabwe could not exchange it into the South African rand as no foreign currency was available. They left with three suitcases and no money, so it is not very surprising that they should choose the neighbouring South Africa rather than the rather more far-flung UK. They moved in with the brother and sister-in-law of Mrs. Acott and that family supported them until they were able to become South African citizens. Mrs. Acott's mother and father were born in South Africa so, with little ado and very swiftly, they were able to become South African citizens. They started again from scratch in South Africa, opened their own company, which lasted until September 2009.

[Miss Ann Widdecombe]

eight years after they were turned out of Zimbabwe – when the recession hit South Africa and they had to close their business as it was running at a massive loss.

They immediately started looking for employment but fell foul of new rules that had been brought in in South Africa, of which the Minister is almost certainly aware. They were sent away from all the interviews and all the job positions for which they applied because they were not black African people, as the law in South Africa stated that under black empowerment to redress the inequalities of apartheid priority had to be given to previously disadvantaged groups. Naturally enough, with no money, no job and no business, they asked what they should do and they were advised to return to England. It was at that point that everything started to go wrong.

Mr. Acott was a British citizen—naturally, he had a British passport. Three of his sisters are already residing in the UK. Mrs. Acott's great-grandfather was British and they decided therefore that the obvious and best option would be to start a new life in the UK. So, they did what I would have expected any British citizen—which Mr. Acott is—in that position to do. They went to the British high commission. They asked what was required of them and how they could start the process of immigrating to the UK. Not only was there unhelpfulness and a failure to get any information at all, but, worse than that, they could not even get past the security guard—I hope that the Minister is listening at this point, and I stress that they could not even get past the security guard—for an interview or a meeting with a consultant.

I might be terribly naive, but I always assumed that when a "Brit cit" was in trouble abroad, they could go to their country's embassy or high commission and that they would at least receive advice and certainly would not be turned away by a security guard. They did not give up—they tried several times, but to no avail. Eventually, they were told that they should go and see a UK visa agent. When they asked the agent what he required, he said that he would require at least 50,000 South African rand, from people who had already been refugees once and now for the second time, found themselves without any resources. That was what was required just to start the procedure and then, when he had that 50,000 rand, he would try to help them. They did not have that amount of money—they had already been unemployed for four months—and decided to come to the UK, with the three non-Brit cits coming in on visitors' visas, and to try to start the procedure here.

I think it is an appalling business that a British citizen in distress, who obviously had taken every possible step to help himself, should be turned away by a security guard from the high commission in Pretoria.

However, the scene shifts: they leave South Africa and manage to come over here. When they came here, they believed that they would face a fairly simple procedure to get accepted. They arrived here on 19 January 2010, and stayed with one of Mr. Acott's sisters. They have made no claim whatever on the state.

The day after they arrived, the husband immediately obtained a national insurance number. The family registered with a GP, opened a bank account, and took steps to change a Zimbabwean driver's licence to a British one. Mr. Acott also received from the Home Office Identity and Passport Service the forms to apply for his identity card.

Within a matter of weeks, Mr. Acott was working for Everest Ltd. as a sales consultant. He obtained a distinction in his certificate of achievement at the sales academy on 18 February, following a week's training course. He had interviews with British Gas, and waited for the required training programme.

In other words, these people have been self-motivated self-starters throughout. They joined the local libraries, and enrolled their children in local schools. Then, Mrs. Acott went to the Home Office in Croydon to ask for the required forms to produce necessary documentation. She was told by the officer at the inquiries counter that he could not help, and that she should have applied for her spouse visa in South Africa. She said that she had tried to apply in South Africa, to which the official at Lunar house replied, "Well, you should have forced your way."

Now I say to the Minister that, if that is how his officials respond to people in distress—as these constituents of mine are—they need further training. Indeed, I hope that that official will be tracked down and disciplined.

Mrs. Acott then asked what she and her husband could do. The official told them rudely to get back on an aeroplane and fly to South Africa. She says that they told him that they had sold their motor vehicles, furniture and worldly belongings and still only just managed to purchase their air tickets, with a bit of cash left over to move to the UK. The family had nothing left, nor anybody in South Africa to return to, but the official said, "That's the only thing you can do. We cannot help you." She asked, "Who can we see and who can we talk to?" He said, "Please leave. There's nothing we can do, or anyone for you to see."

In tears, they have now tried several UK visa agents and been told the same thing. Interestingly, however, when they contacted the Visa Bureau, they were given advice that they had not been given by any official. Mrs. Acott was told, "If your husband David is the biological father of your children"—which he is—"and you were married at the time your children were born"—which they were—"you should already be British citizens." That meant that they should be able to make an application here in the UK for British passports.

Mrs. Acott was also told, "If David is the biological father of your children, and you were not married at the time of their birth, your children would still be able to make applications to register as British citizens here in the UK and thereafter apply for British passports." I do not know whether that information is correct, and nor does Mrs. Acott. However, if it is correct and stands as good advice, why did she have to get it from an outside organisation and not from either Lunar house or Pretoria?

We have a situation in which two young children—one is nine, the other four—and their mother are being told that they must go back to South Africa to apply for a spouse visa to enter this country when their visitors' visas expire. As a matter of detail, the visas expire during the school term time and when the World cup is on. I imagine that travelling to South Africa at such a time would be a trifle expensive, and certainly very disruptive to the older child's education.

But that is a matter of detail. Those three people are being told that they have to go back to South Africa—where they have already tried to obtain the necessary documents. What guarantee is there that they will not be turned

away by another security guard if they go back to South Africa, or that they will be able to make the applications that they wanted in the first place to make?

This is a very sorry tale. It is a sorry tale of how the British look after their citizens abroad and of how our officials respond to people in distress in this country. It is a grossly sorry tale if there is one iota of truth in the advice that was given to Mr. and Mrs. Acott, because that advice was not given by any official British body. If they are to go back to South Africa, what reassurance can the Minister give me that they will be dealt with properly and officially? If they are not to go back, will he advise them on what they are to do, because their visitors' visas will expire in June?

They have a subsisting marriage—it has lasted 11 years—and they have done their level best at every twist and turn of their fate to look after themselves, sometimes with the help of family. They are not lazy, they do not want to be charity cases, and they are not scroungers, yet they are utterly abandoned.

7.21 pm

The Minister for Borders and Immigration (Mr. Phil Woolas): May I first offer the traditional congratulations to the right hon. Member for Maidstone and The Weald (Miss Widdecombe) on securing this adjournment debate? May I also use this occasion to record my admiration for her? I do not know whether this is her last such debate—that probably has more to do with you, Mr. Deputy Speaker, and Mr. Speaker, than with me—but she presents her case with characteristic forthrightness, giving the Minister at the Dispatch Box the usual bout of nerves and fear.

Miss Widdecombe: I doubt that.

Mr. Woolas: The right hon. Lady should not underestimate herself.

I do not want to go into the specifics of the case in too much detail, and I hope the right hon. Lady also appreciates that that would be difficult for me to do. I have read the correspondence that she kindly sent to me, including the letter from the family to her constituency office and her subsequent representations. Some of the points in that letter do not square with the Home Office's understanding of what could have happened and what did happen—and, of course, the events took place within the general context of the rules. However, I will come back to her with the detail after this debate, so that she can pass that on to her constituent. That is the duty of the Minister, and I hope she accepts that I take my duties in this Chamber very seriously indeed, even if I sometimes disagree with her on policy points, although not as many as I sometimes think I should.

The British high commission in South Africa is one of our most important postings. Following the changes that have taken place and the improvement of the managed migration policy, the visa operation now falls under the UK Border Agency, not the Foreign Office. There are arguments for and against that—I obviously think that it is beneficial—but people following the debate might have wondered why a Home Office Minister is responding to a debate on a high commission function. The reason is that the Government thought that in that way the right hon. Lady was more likely to get the answers she was seeking, because the case involves visas, not the general operation.

Suffice it to say that relationships with South Africa are very important to us. The high commission in Pretoria has 216 staff to provide political, consular and visa services. The visa section employs 82 of those staff—some UK people, and some locally employed. There is also a consulate general in Cape Town. We did the global visa waiver test in 2008, and in March 2009 we introduced the visa requirement for travel from South Africa. The problem that we previously faced was the Zimbabwean problem that the right hon. Lady has highlighted. There was significant evidence of abuse, with Zimbabweans presenting South African documents in the UK. That was a major challenge and required the implementation of a visa regime in relation to South Africa. That was not peculiar to South Africa, as we did the same thing with a number of countries.

For the past few years, all visa applicants have been required to enrol their biometrics, and the way in which that is done may be at the root of this issue. We have agents—organisations and companies to which we franchise—to take the initial visa applications, but that is not done initially at the high commission. So although anyone who has a British passport has an absolute entitlement to service at the high commission, the initial stages of visa applications are done through agents. We have invested £4 million in extending the facilities in Pretoria to provide that service. The commercial partner that provides that front-of-house service—I hate that phrase, but I think the right hon. Lady knows what I mean—in South Africa is a company called VFS Global.

We have implemented what we call a hub-and-spoke arrangement, whereby visa applications can be made in one city or posting and then decided and processed in the continental hub. Pretoria is the African hub, so its operation is particularly important to us. I shall not list the benefits of that arrangement now, because I suspect that the right hon. Lady would fall asleep. She can read them elsewhere, and I am quite prepared to discuss those issues if necessary.

Let me give the House an idea of scale. In 2009 the British high commission in Pretoria processed 122,609 visa applications, of which 101,200 were from South African nationals. Since the introduction of the new visa requirement for South African visitors, the British high commission has offered exceptional levels of customer service. In 2009 more than 95 per cent. of all visit visa applications were resolved within five days, two thirds of all settlement applications were resolved within 10 days, and 97 per cent. of all South African visa applications were issued. Of the 101,200 visa applications from South African nationals, 88,098 were in the visitor category. In the settlement category, 86 per cent. of the applications from South African nationals were issued. In other words, there is an exceptionally high volume of applications and, I would argue, a very good service within the commitments that we make.

The entry clearance officer or the in-country official will consider the application carefully to ensure that the correct decision is made. However, the onus rests on the applicant to demonstrate that they meet the requirements of the immigration rules.

Miss Widdecombe: I am sure that this lady would have been hugely grateful to have got anywhere near an entry clearance officer. The family was habitually turned away, and only on the production of 50,000 rand would they have made any progress at all.

Mr. Woolas: As the right hon. Lady has intervened, let me turn to the specifics of the case. We do not recognise the 50,000 rand figure. We assume that it has come from an agent independent of either the high commission or the agent that we employ. There is no correlation between that figure and the visa fee, given the number of people in the family involved. I must also make the point that a visitor visa was issued, and the application process for such a visa involves producing evidence of return arrangements, so I assume that they were in place, although I will have to get back to the right hon. Lady about that. That must have been done through the agent, with the application processed through the hub arrangement in the high commission, so the situation is puzzling. While I do not recognise the 50,000 rand figure for a visa fee, which I understand translates to about £4,500, the visitor visa will have been issued on the assumption that the relevant family members would return to South Africa, but given the evidence that she has provided, I assume that that was not the intention, which raises difficulties for my officers in this case.

Although I have no doubt whatsoever about the family's intention or integrity, the rules – and indeed the law – state that one cannot apply in country. Indeed, I cannot envisage any Government allowing such an in-country application for settlement or citizenship, and the advice that the right hon. Lady reports that the family was given is consistent with that position.

Miss Widdecombe: I absolutely agree that there is a clear rule that if someone wants to enter the country on the basis of marriage, they must apply from outwith the country. The Minister will know that I have upheld that rule consistently, and that I have advised constituents to go back. However, the point that I keep making is that the family tried that, and Mrs. Acott simply says, "What happens if I go back? I will be exactly where I was when I was trying to leave."

Mr. Woolas: I understand the point that the right hon. Lady makes, which was also made in the letter to her office and the written representations that I received. That is the point about which we are puzzled, because a visitor visa was processed, and it is odd that the option of applying for a spousal visa was not available, yet an application for a visitor visa was processed. I think that we will have to come back to that point.

I know that the right hon. Lady appreciates that I have to uphold the rules. I have no intention of hindering the family—I understand that the father is a British citizen – and obviously they have made a choice about their future lives, but I have to apply the rules.

On the subject of courtesy, the right hon. Lady referred to several stages involving the high commission, and perhaps the visa application office and a private agent, and she also mentioned Lunar house. Information with which I will provide her after the debate will feed into our understanding of the situation. Although I am not saying that I do not believe the account that has been given, some of it is puzzling. Individual circumstances vary, however, and misunderstandings occasionally arise while processing visa applications. The basic rules on applications are, as she acknowledges, that an application for a spousal visa must be made outside the country and that an in-country transfer is not usually allowed, although there are exceptional circumstances in which that may happen. A visitor visa was issued in this family's case and, as I said, it is logical that that must have involved an appointment, an application and the processing of documents. I am therefore puzzled as to why the application for spousal and family visas was not made at that stage.

The assumption throughout this debate is that the lady in question—the wife—is the primary applicant. There are children involved as well, who would be entitled to apply for British citizenship by virtue of their father's British citizenship. *[Interruption.]* The right hon. Lady says from a sedentary position, "From here?" The issue that we would have been dealing with is the wife's application. The right hon. Lady raised the issue of the children this evening. Of course I will come back to her. Some aspects are puzzling, and I hope the illumination that I will be able to shed on the case will satisfy her.

The right hon. Lady refers to the good intent of the family. My experience is that all applicants claim, or have, good intent. Unfortunately, the rules are the rules, and I must apply them. She does not need me to tell her that; I think she did this job at one stage in her rather formidable career, as I knew already—but learned even more about from my research. If I may, I shall write to her with the details that I can give her, to reassure her and her constituents that I take this matter seriously.

7.36 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Thursday 25 March 2010

The House met at half-past Ten o'clock

PRAYERS

[Mr. Speaker *in the Chair*]

BUSINESS BEFORE QUESTIONS

LONDON LOCAL AUTHORITIES BILL [*LORDS*]
(BY ORDER)
Second Reading opposed (Standing Order No. 20).

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked

Food Industry

1. **Hugh Bayley** (City of York) (Lab): What steps his Department is taking to assist the food industry in the current economic climate. [324046]

12. **Nia Griffith** (Llanelli) (Lab): What steps his Department is taking to assist the food industry in the current economic climate. [324060]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): Mr. Speaker, it would not be right to let this moment pass without remembering our good friend and colleague, Ashok Kumar, who died so suddenly last week. He was my Parliamentary Private Secretary for seven years, so I find it hard to believe that when I turn my head I will not see him sitting behind me. He was a gentle man, a pioneer and extremely proud of his Indian heritage. He was a scientist and, above all, he was a magnificent fighter for his constituents. I know that the whole House will mourn his passing.

The Government are taking a number of steps to support the UK food industry, which is our biggest manufacturing sector, including the Food 2030 strategy; more investment in research and development; consulting on a supermarket ombudsman; the agri-skills plan; and the work of the task forces to assist the pig sector and to encourage more production and consumption of fruit and vegetables.

Hugh Bayley: Like my right hon. Friend, I mourn and miss Ashok Kumar greatly. I knew him very well; he was a close personal friend and constituency neighbour.

I welcome the Food 2030 document that the Secretary of State has produced, but will the Government make additional funding available for research to enable food manufacturers and farmers to produce food with a lower carbon footprint and less impact on the environment?

Hilary Benn: We have responded to the call for even more investment in research in the food and farming sector, particularly with the additional funding of £50 million announced by the Technology Strategy Board last year. The board was set up to look at opportunities for the future for industry in the UK, so the fact that it has recognised the sector is warmly welcomed, and it will support a wide range of research. My hon. Friend is right: we will have to produce more food in a way that reduces our carbon emissions.

Nia Griffith: My right hon. Friend will know that my hon. Friend the Member for Ynys Môn (Albert Owen) has introduced a Bill to establish a grocery ombudsman. Will my right hon. Friend do everything in his power to ensure that the Bill reaches the statute book, so that an ombudsman can be established?

Hilary Benn: As my hon. Friend will be aware, the Government—having carefully considered the Competition Commission's recommendation—have accepted the need for a means to enforce the new grocery supply code of practice. We are in the middle of a consultation on the most effective enforcement mechanism, and clearly a person or persons will need to undertake that job. I hope that everyone will contribute to that consultation so that we can get on with this as soon as possible.

Christopher Fraser (South-West Norfolk) (Con): According to the Food and Drink Federation, this sector is the only manufacturing sector to record an increase in production throughout January 2010. What lessons will the Minister take from that?

Hilary Benn: Well, it shows the resilience and strength of the sector despite the difficult economic circumstances that we have been going through. It is a tribute to the skill and professionalism of those who work in the sector and it is further evidence that over the months and years ahead we will see increased demand for food, food production and food products. We will need farmers and those working in the food sector to produce that food. The fact that it is our largest manufacturing sector, employing some 3.6 million people, is a sign of its strength and importance.

Tim Farron (Westmorland and Lonsdale) (LD): May I add my words of regret at the passing of Ashok Kumar, whom I first met in 1991 on the streets during the Langbaurgh by-election? It is always confounding to meet an opponent who turns out to be full of warmth, integrity and decency. He will be very sadly missed.

One way to assist the food industry would be to ensure that British food producers stay in business. My survey of food producers in Lancashire and Cumbria shows that more than 80 per cent. are still waiting for their single farm payment and face business collapse as a consequence. Will the Secretary of State intervene directly to ensure immediate interim payments to keep our farmers and food producers in business?

Hilary Benn: I thank the hon. Gentleman for his kind words about Ashok Kumar.

As the hon. Gentleman will be aware, 93 per cent. of the payments have been made and the Rural Payments Agency has once again exceeded the targets that we set, so its recovery is continuing. As he will know, interim payments create some difficulties, but we have always

made it very clear that if farmers are genuinely in dire circumstances they should contact the RPA and we will see what we can do.

Dangerous Dogs

2. **Tony Baldry** (Banbury) (Con): What steps he is taking to tackle the problem of dangerous dogs; and if he will make a statement. [324047]

10. **Michael Fabricant** (Lichfield) (Con): What steps he is taking to tackle the problem of dangerous dogs; and if he will make a statement. [324057]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): We have launched a wide-ranging consultation on the problem of dangerous dogs, and I recently met with welfare groups and enforcement agencies to discuss this. We have also produced new guidance for the public, enforcers of the law and magistrates, as well as provided the Association of Chief Police Officers with funding to help train police officers.

Tony Baldry: It seems to me that the 9 March consultation document does not deal with a crucial issue, which is people actually breeding dogs to be weapons and the increase in the breeding of pit bull terriers. A microchipped pit bull terrier is still a pit bull terrier, and there needs to be discussion with the Kennel Club, vets and others about how one can limit the breeding of dogs that are intended to be weapons.

Hilary Benn: I agree with the hon. Gentleman. Indeed, that was one of the points raised at the meeting with stakeholders to which I referred in my answer. The consultation paper ranges quite widely, but given that there is a bit of history on legislation passed in haste and repented at some leisure and cost to many people, it is important that we get this right. I encourage all those with an interest to express a view. There was agreement on some points in the meeting: there is pretty broad support, I think, for extending the legislation to private property and for the idea of dog control orders, which would, it seemed to many people at the meeting, provide a pretty targeted way of trying to deal with particular owners, and the dogs they own, who are causing the bulk of the problem.

Michael Fabricant: Although I agree wholeheartedly with my hon. Friend the Member for Banbury (Tony Baldry), will the Secretary of State take this opportunity to say quite clearly that there is one hell of a difference between a pit bull terrier and a Staffordshire terrier, which has a very different temperament indeed?

Hilary Benn: Of course, many people in the country own Staffordshire terriers, and they are much loved family pets. The lesson, which the Home Secretary and I saw when we visited the RSPCA hospital in Seven Sisters a couple of weeks ago, is that other breeds are now being trained as fighting dogs, status dogs, weapon dogs—or whatever phrase one uses to describe them—and the question is how we target effort and energy on those who are doing it. Let us be honest: there is a very lively debate about breed versus deed. The Dangerous Dogs Act 1991 specified four breeds, but in the consultation meeting that I held, the majority of those who expressed a view were sceptical about a breed approach, and thought that we should focus more on deed.

Jane Kennedy (Liverpool, Wavertree) (Lab): In the horrific case of John Paul Massey in my constituency, a focus on the breed disrupted and undermined the partnership that needs to work between a housing association and the police when the public report concerns about the behaviour of dogs. Chipping dogs and encouraging owners to be trained in ownership, not focusing on the breed, is the way forward.

Hilary Benn: There is a great deal of sense in the comments of my right hon. Friend, who sadly has experience of this matter, through the constituency case to which she referred. In the end my concern, and I think that of the House, is that we come up with a set of proposals that will help to deal with the remaining problem. Certainly, some people argue that spending time looking at the features of a particular dog to determine whether it falls within the four categories in the original legislation might not necessarily be the most sensible approach. That is one of the questions that we have raised in the consultation paper.

Mr. Brian Jenkins (Tamworth) (Lab): I wish to follow the comments by the hon. Member for Lichfield (Michael Fabricant) about the Staffordshire bull terrier. Anyone who owns a Staffordshire bull terrier knows what lovely, warm animals they are, but they were demonised in our national media through ignorance and a misunderstanding of what a dangerous dog is. The very title "dangerous dog" is misleading in the campaign to control the ownership of a dog—it is a privilege and not to be given out lightly. What are we going to do to stop the people who own these dogs?

Hilary Benn: I take my hon. Friend's point that demonisation will not help anybody to deal with the problem. This debate is about what further steps we can take, building on existing legislation, and amending it if that is sensible, to put in place effective measures to deal with the problem of the small number of owners—the vast majority of dog owners are responsible and as concerned about this as anybody else—who through breeding, training or incitement allow their dogs to do the kind of things that we have seen.

Mr. Richard Benyon (Newbury) (Con): On Monday the Under-Secretary of State for the Home Department, the hon. Member for Hackney, South and Shoreditch (Meg Hillier), said,

"we are still interested, certainly from a Home Office perspective, in views on third-party insurance".—[*Official Report*, 22 March 2010; Vol. 508, c. 4.]

Ministers know the problems with bull breeds in certain communities and they know about their effects on people living in those communities, so what do this Government do? They use a sledgehammer to miss a nut. They have had 13 years to get this issue right and now, in the run-up to an election, they produce measures, immediately withdraw them and then partially reintroduce them again. Do they actually talk to their Home Office colleagues? What confidence can we have that this Government will bring in measures that will deal with a serious and urgent problem?

Hilary Benn: I hope that the hon. Gentleman will forgive me if I say that I am pretty reluctant to take lectures on effective legislation from the party responsible

for the original, 1991 Dangerous Dogs Act, which had to be amended in 1997. He should be slightly cautious on that subject. That is the first point.

The second point—*[Interruption.]* I was not in the House at the time; I will take credit for what I have done. The second point is that third-party insurance could be useful to particular dog owners. For example, it could be part of a dog control order. Third-party insurance was included in the consultation paper because some who have been party to the debate suggested it. The Dogs Trust, for example, is in favour of the proposal and thinks that it would be sensible to have compulsory third-party insurance. However, I am afraid to say that the Opposition decided to go around suggesting that the Government had already made up their mind to introduce compulsory third-party insurance for everybody. That is not our position, and that is why I made it clear that we do not intend to proceed with that proposal.

Mr. Speaker: Progress is a little slow this morning. We do need to speed up.

Recycling

3. **Mr. Clive Betts** (Sheffield, Attercliffe) (Lab): What steps his Department is taking to encourage the recycling of household waste; and if he will make a statement. [324048]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dan Norris): Local authorities are best placed to make decisions on waste management. We strongly encourage recycling through a range of measures, from targeted funding to help to set up recycling and composting facilities, to the landfill tax and the landfill allowance trading scheme. Direct support is also provided to local authorities through the Waste and Resources Action Programme.

Mr. Betts: Will my hon. Friend join me in expressing regret at Lib Dem-controlled Sheffield city council, which is proposing to take away the very popular blue bins for paper and green bins for garden waste, and replace them with green sacks, which are potentially dangerous, and small blue boxes for paper, which are heavy for pensioners to lift? Will he use his influence to persuade the council not to go down that route, because there is widespread public opposition and it could actually reduce recycling?

Dan Norris: I fully appreciate that my hon. Friend is concerned that his constituents have great concerns about the issue. Indeed, I have been reading about it in the Sheffield *Star*, in which there have been some strong editorials. However, at the end of the day, it is a matter for local authorities to decide how they manage waste, although we would obviously encourage them to listen carefully to the communities that they serve, to ensure that they take into account their specific needs.

Tim Farron (Westmorland and Lonsdale) (LD): UK households generate enough waste in one year to power a town the size of Kendal for 65 years if that waste is recycled properly. It is vital that we recycle and reduce our waste, but it is also vital that we make good use—and green use—of the waste produced, so will the Minister tell us why, when Germany has 2,500 anaerobic digesters, the UK has merely 38?

Dan Norris: The truth is that we are investing significantly in anaerobic digestion. We are very keen on it: it is an important technology, which we should be using much more effectively than we have done historically. I accept completely that other countries are ahead of us at the moment, but we are learning from their experience, so that we are not reinventing the wheel. I am confident that we will make significant progress through a range of incentives that we have created for that important process.

Mr. David Drew (Stroud) (Lab/Co-op): But will my hon. Friend look again at how private finance initiative credits can crowd out recycling, which can mean that we end up with what some of us do not want, namely the encouragement of incineration? That is happening in Gloucestershire, and it is about time that it was stopped.

Dan Norris: I am not sure that I would accept my hon. Friend's analysis of the situation. In fact, we have a good record on recycling. It has quadrupled in the past 10 years. I accept his point about crowding out, in the sense that we would not want to encourage anything to do with landfill or incineration if there are other options, but reducing, re-using and recycling are essential, and that is the thrust of everything that we say and do.

Air Quality

4. **Simon Hughes** (North Southwark and Bermondsey) (LD): What recent assessment he has made of progress towards meeting European air quality standards; and if he will make a statement. [324049]

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): As a result of improvements over many years, EU limits for air quality are met across most of the UK. Limits for particulate matter are yet to be achieved on only a small number of roads in central London. For nitrogen dioxide, limits are exceeded on less than one third of major roads in urban areas across the UK. The Government are working with delivery partners to achieve the limits as soon as possible.

Simon Hughes: The Minister's answer suggests that he has not read the report that was published this Monday by the cross-party Environmental Audit Committee, which states:

"Poor air quality reduces the life expectancy of everyone in the UK by an average of seven to eight months and up to 50,000 people a year may die prematurely because of it."

The Committee, which has nine Labour members, concluded unanimously that

"air quality is not seen as a priority across government and the UK is failing to meet a range of domestic and European targets".

Why have the Labour Government not got their act together after 13 years?

Jim Fitzpatrick: The hon. Gentleman does me a disservice by saying that I have not looked at the report. I gave evidence to the Committee and we are obviously very interested in the report's conclusions

and recommendations. We look forward to considering and responding to them in due course. An assessment based on 2008 data shows that air pollution is expected to reduce life expectancy by an average of six months and have an annual cost of £15 billion, compared with an average of seven to eight months and a cost of £20 billion based on 2005 data. This demonstrates that, even in that short period of time, we have made considerable progress. We are not in denial over this, however; it is a very important issue. We welcome the Committee's report and we will be proceeding with the recommendations as soon as we can.

Mr. Denis MacShane (Rotherham) (Lab): Will the Minister take his team to Bogotá in Colombia, a city of 7 million people, where, every Sunday, all vehicular traffic is banned and the city becomes a paradise for cyclists, walkers and joggers? Why cannot we shut down in London in that way for a day a week, or for an hour each morning to allow children to be taken to school and to allow me to bike or jog to Parliament without my lungs being clogged up by the filthy fumes of our city? Let us have an hour a day free of traffic in London—*[Interruption.]*

Jim Fitzpatrick: My right hon. Friend is obviously in good form this morning, as has been demonstrated by that question and by the sedentary comments that his suggestion has received. Since 1997, there have been significant reductions in road transport emissions—including of particulate matter 10 by 42 per cent., of oxides of nitrogen, NOx, by 48 per cent., and of sulphur dioxide, SO_2, by 91 per cent.—in spite of traffic increasing by 13 per cent. The Mayor of London is due to publish the findings of a public consultation on a draft air quality strategy for London today, and we look forward to seeing what he recommends.

Nick Herbert (Arundel and South Downs) (Con): First, may I echo the Secretary of State's tribute to Ashok Kumar? I worked with him on the issue of tuberculosis and its effects on developing countries, and I soon grew to appreciate his great decency and wisdom. Just as the Secretary of State will miss his supportive presence behind him, I will miss Ashok's reproachful gaze from across the floor of the House.

Britain is exceeding pollution limits, and we are still waiting for a plan to clean up our act. Just as the Government were slow to act on landfill targets, they have dragged their feet on air quality and we now risk infraction proceedings from Brussels on air quality and on waste. They have had more than a decade to make Britain cleaner and greener; why have DEFRA Ministers failed to deliver?

Jim Fitzpatrick: This Government have introduced many significant measures to reduce air pollution. Additional measures announced in the excellent Budget speech by right hon. Friend the Chancellor yesterday include a reduced pollution certificate for heavy goods vehicles that achieve early compliance with the Euro 6 emissions standards, and a halving of company car tax for ultra-low carbon vehicles. Both those measures will help to improve air quality and support UK green jobs. We are working hard to avoid the risk of infraction, which can lead to fines; we are hopeful that we will be able to avoid them.

Nick Herbert: The Government's inability to produce a credible plan could result in infraction fines of up to £300 million. Their incompetence with the Rural Payments Agency has already resulted in fines of £75 million. Is it not a scandalous example of a waste of public money that they are raising taxes on the public to pay financial penalties to Brussels because of their failure to deliver?

Jim Fitzpatrick: I congratulate the hon. Gentleman on his ability to criticise the RPA during a question on air quality. That is very imaginative, but there is no relation between the two. I have just said that we hope to be able to avoid the risk of infraction leading to fines. For particulate matter, the risk is now very small. On nitrogen dioxide, meeting the limit values is more challenging, but we have additional time to prepare our case to the Commission; and, as I said in my original answer, the Mayor of London is responsible for improving air quality here, along with the London boroughs. Following a review of a public consultation, a draft air quality strategy for London is expected shortly. As I mentioned, we hope to see it today.

Local Food Sourcing

5. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): What recent discussions he has had with ministerial colleagues on steps to increase local food sourcing by the public sector. [324051]

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): Earlier this month I met Ministers from the Department of Health and the Department for Children, Schools and Families to discuss ways of improving the sustainability of food that is procured for those Departments. I have also written to Ministers in all relevant Government Departments to make sure that they are personally backing this agenda, which includes strong support for regional and local food.

Mr. Crabb: I thank the Minister for that reply. He knows that 2009 was another difficult year for many British farmers. Will he explain why Government procurement of British food actually fell during that year, and in particular, why NHS procurement dropped sharply? Why are the Government failing to back British farmers and British food at this time?

Jim Fitzpatrick: I am sorry; I do not recognise the statistics quoted by the hon. Gentleman to show that Government Departments across the board are moving backwards. We believe that we are making good progress on this subject. A recent report says that 13 out of 21 Departments have increased the amount of home-grown food that they serve as a percentage of all food supplied. Two have remained the same and three have gone down. For the others, there is no comparable data relating to the year before. We do not pretend that there is no room for improvement—of course there is—and we are working hard to address the issue in the meetings with ministerial colleagues that I mentioned and through the exchange of correspondence among Departments. The latest figures are a year behind and I believe that we will see further progress this year.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend agree that if we are to get people to understand the importance of local sourcing, we have to educate children and families? Does he share my concern about a Natural England survey showing that the likelihood of a child visiting any green space has halved in a generation? Is it not about time that we opened up the countryside and showed children where food is grown?

Jim Fitzpatrick: My hon. Friend makes a very good point. We are indeed working hard with the DCSF and other organisations to promote school visits into the countryside so that children can learn where their food comes from and be encouraged to grow some food on their school premises. More and more schools are engaging in that. Under the eco-schools project, about 1,000 green flag schools are finding out where food comes from and are growing their own as part of a holistic approach to the environment. My hon. Friend makes a very good point; we will continue to work hard on that agenda.

Nick Herbert (Arundel and South Downs) (Con): I am afraid that the Minister's attempt to spin these figures will fool no one. Only last month he told us that he hoped they would show improvement, but the reality is that the figures show that the Government are sourcing a declining proportion of British food—less British poultry, less British beef, less British lamb and less British pork. Some Departments are not buying a single rasher of British bacon. What kind of leadership and example does it show when this Government purchase a lower proportion of British food than the country as whole? Is it not time that we had a Government who cared about British farming and who bought food only to sustainable British standards?

Mr. Speaker: One answer will do.

Jim Fitzpatrick: We need the best of British producers to be able to tender for and win the big public and private sector contracts both at home and abroad. We are doing what we can to help promote the sustainability criteria and the animal welfare criteria and we will do everything we can to encourage Government Departments to procure British products.

Drains and Sewers (Transfer Guidance)

6. **Sir Patrick Cormack** (South Staffordshire) (Con): When he expects to publish guidance on the transfer of ownership of private drains and sewers to water companies. [324052]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): We have previously made clear our intention to consult on proposals for regulations to implement the transfer of private sewers before the summer, setting out the detailed arrangements for transfer. I am pleased to announce that we have made further progress and that we will be able to bring forward proposals for consultation on the regulations a little earlier—by the end of May.

Sir Patrick Cormack: That will be of some encouragement to my constituents in the village of Codsall who fear flooding every time there is torrential rain. Can the Minister give me an absolute guarantee that we will have action within the year?

Huw Irranca-Davies: Yes, indeed. I am greatly encouraged by the hon. Gentleman's comments.

We have made clear our commitment to the transfer of private sewers. We will provide enough time for consultation, and we will begin the transfer in 2011.

Martin Salter (Reading, West) (Lab): This will be my last appearance at DEFRA questions. Members will be pleased to learn that I shall not be asking about fish, otters or cormorants. The session has, however, been enhanced by the notion of Sunday walk-by shootings in Bogota.

The Minister will be aware of the 10-year campaign that I have waged on behalf of my constituents on the Haddocks estate in Tilehurst for the adoption of their drains by the water companies, as recommended by the excellent Pitt review. Can the Minister assure them that he has managed to secure cross-party agreement for that very necessary measure, so that whoever wins the next election, my constituents will not face the horror of a hike in their bills as a result of the failure to adopt their drains many years ago?

Huw Irranca-Davies: I commend my hon. Friend on his campaign on behalf of people living on the Haddocks estate and elsewhere. I also commend others who have campaigned long and hard. I think—I am now looking across at the Opposition Front Bench—that we have a consensus on the transfer of private sewers from 2011. That will be good for my hon. Friend's constituents, and for tens of thousands of people throughout the country. It will be good for Norman and Sheila Jewell of Pencoed, Mike Edwards of Sarn, Brian Whitmore of Brynna and many others. It will save them from the horror of facing bills for, in some instances, tens of thousands of pounds when their private or lateral drains collapse.

Farming (Competitiveness)

7. **Mr. John Baron** (Billericay) (Con): What steps his Department is taking to improve the competitiveness of the farming industry. [324053]

13. **Bill Wiggin** (Leominster) (Con): What steps his Department is taking to improve the competitiveness of the farming industry. [324061]

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): The Government are committed to maintaining a thriving, competitive and sustainable agri-food sector in partnership with the supply chain, as part of our Food 2030 strategy. Reforming the common agricultural policy will improve the industry's ability to respond to consumer demand. We are providing £300 million between 2007 and 2013 to improve competitiveness in the agriculture and forestry sectors through the rural development programme for England, and over five years we are investing £80 million in research and development, of which £50 million is new money.

Mr. Baron: Whatever the Government may say, it remains a scandal that, according to both *Farmers Weekly* and *Farmers Guardian*, the latest European Union fines for late payments by the Rural Payments Agency amount to £90 million. Does the Minister not accept that the money would have been better spent on ensuring fair competition for our farmers, particularly when it comes to imports?

Jim Fitzpatrick: As my right hon. Friend the Secretary of State said a few moments ago, according to the latest figures relating to RPA payments under the single payment scheme, it met its two formal targets, which were to pay 75 per cent. by value by 31 January and 90 per cent. by value at the end of March, ahead of schedule. The latest figures show that, as of Tuesday 23 March, 93 per cent. of customers have been paid and 93 per cent. of the fund has been paid. The RPA's performance has improved year on year.

We certainly do not want to pay unnecessary fines to Brussels. We want to support the food and agriculture industry, and we will continue to do so.

Bill Wiggin: The National Association of Cider Makers has led the way on responsible drinking. How has the Minister got the nerve to tell the House all those nice things about agriculture when yesterday, on the same spot, the Chancellor increased duty on cider by 10 per cent. over inflation? There are 600 businesses in Herefordshire alone producing this exclusively British drink. How will the Minister ever persuade anyone to take anything he says about British agriculture seriously again?

Jim Fitzpatrick: I recognise the hon. Gentleman's concern about the industry in his constituency. Historically, however, cider producers pay lower rates of duty than other producers, and the rate that they will now pay is about half that paid on beer. The smallest UK cider producers will remain exempt from the duty increase—they are subject to a small cider makers' exemption which applies to makers who produce fewer than 7,000 litres a year—and we estimate that, as a result, nearly 400 UK cider makers will not be affected by any of the changes announced yesterday by my right hon. Friend the Chancellor.

Mr. Roger Williams (Brecon and Radnorshire) (LD): As has already been pointed out, the competitiveness of farming has been affected by the appalling record and performance of the Rural Payments Agency. There has been considerable investment in IT, but it has failed to remedy all the failures. What steps has the Minister taken to improve the efficiency of operations managers in the RPA, so that they can balance resources to meet their work loads and thence deliver improved performance for their customers?

Jim Fitzpatrick: The RPA is under extreme pressure to ensure that it makes efficiency savings, as is every Government Department and Government organisation. Online pre-populated application forms will be available this year, and drop-in centres will be opened for farmers so that they can speak face to face to RPA officers, because we want to make sure that we have an even smoother passage in terms of concluding the mapping this year and next year's payments. Clear improvements have been made year on year since the debacle of the 2005-06 regime, and I hope this year's efficiencies will be apparent to all farmers. We are also having regular meetings with the RPA and stakeholders to try to make sure that everybody is aware of all the possible improvements.

Mr. Speaker: Order. We now urgently require brevity, a legendary example of which will be provided by Mr. Jim Paice.

Mr. James Paice (South-East Cambridgeshire) (Con): Anything is possible, Mr. Speaker.

Our farmers produce some £7 billion-worth of food, which, as the Secretary of State has said, supplies an £80 billion food processing sector. Farming also provides the basis for our £14 billion rural tourism industry, and, in total, is responsible for about 5 million jobs. Yet last week the Government stated in their skills document that not only agriculture, but the food sector too, are of low economic significance. Do they have any idea how damning that is after 13 years of a Labour Government?

Jim Fitzpatrick: As my right hon. Friend the Secretary of State has said, we recognise the significance and importance of the food-agri sector to the UK economy. I mentioned earlier the support we have put in place for it, such as through the rural development programme for England and our attempt to reform the common agricultural policy. The Dairy Supply Chain Forum, the Fruit and Vegetable Task Force and the Pig Meat Supply Chain Task Force also provide sector support, and we are also investing in both the skills agenda and research and development. As outlined earlier this month, we have reduced regulation by more than 20 per cent. as well. We are doing what we can, therefore, but we know there is more to do, and we will continue to try to do it.

Landfill (2010 Targets)

8. **Richard Ottaway** (Croydon, South) (Con): What progress has been made towards meeting the 2010 targets for waste management under the EU landfill directive. [324054]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): Very good progress is being made toward meeting the 2010 target to reduce the amount of biodegradable waste sent to landfill. In 2008, significantly less of this waste was land-filled than the 2010 target requires, and there is every reason to believe that the amount of waste sent to landfill has continued to follow a downward path since.

Richard Ottaway: But when it was drawn to the attention of the Secretary of State's Department that the 2013 target was going to be nowhere near met, his spokesman replied that the

"targets remain challenging and local authorities need to continue their good work to date."

Does the Secretary of State agree that that reflects breathtaking complacency? In the dying days of this Parliament, will he produce a policy that has some zip and coherence and that people can respect?

Hilary Benn: With respect to the hon. Gentleman, I must say that I profoundly disagree with what he has just said. In 1997, this Government inherited a household recycling rate of 8 per cent., but it is now 37 per cent., and I pay tribute to the work done over the past 13 years by local authorities and others to achieve that improvement. The hon. Gentleman may not have noticed that I recently launched a consultation on how we might make still further improvements, and there is even a suggestion that we should reach a point when, as a nation, we say that certain products will no longer be sent to landfill. I would hope that the hon. Gentleman supports that, if he is keen to get us as close as possible to achieving zero waste, which is my aim and that of the Opposition spokesmen.

Miss Anne McIntosh (Vale of York) (Con): We remember Ashok, and we will greatly miss him.

In yesterday's Budget, the Government increased landfill tax, which we welcome because it will improve green disposal of waste, but how does the Secretary of State respond to the damning National Audit Office report and the finding that the Government have failed to set binding targets for business waste? There is six times more business waste than domestic waste, and the Government are failing to deal with it; they are completely missing their target.

Hilary Benn: I do not agree, because the rate for recycling commercial and industrial waste is higher than for household waste, not lower. When the last comprehensive survey was conducted in 2002, the recycling rate was approaching 50 per cent. There is no doubt in my mind that it is higher now, which is why we will undertake a further survey later this year. The hon. Lady will have seen the paper that we published on commercial and industrial waste. I have just launched a consultation on landfill bans, which are pretty darn ambitious and would apply to commercial and industrial waste, as they would to household waste.

Small and Medium-Sized Family Farms

9. **Sir Nicholas Winterton** (Macclesfield) (Con): What recent assessment he has made of the future financial viability of small and medium-sized family farms. [324056]

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): Although we have not made a specific assessment as requested by the hon. Gentleman, the financial viability of the agriculture sector is strong. Average farm business income across all farm types increased by 6 per cent. in 2008-09 and is expected to remain at similar levels for 2009-10. Although these are averages for all sizes, small and medium-sized farms would be expected to show the same year-to-year trends in income.

Sir Nicholas Winterton: My beautiful constituency of Macclesfield has many small and medium-sized family farms. Will the Government support the seven policy statements in the National Farmers Union manifesto, which I believe will bring about conditions in which family farms can improve both their production and their income and, thus, make a great contribution to the economy and food production in this country?

Jim Fitzpatrick: We recognise the invaluable contribution made to the rural economy by small and medium-sized farms, and we have already discussed the sector's importance this morning. We work closely with the NFU, and we are aware that it has produced this checklist of policies that it would expect political parties to consider in advance of the general election—obviously we will be doing just that.

Hunting Act

11. **Mr. William Bain** (Glasgow, North-East) (Lab): What recent assessment he has made of the effectiveness of the Hunting Act 2004; and if he will make a statement. [324058]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): The Government are satisfied that the Hunting Act 2004 has been effective in stopping hunting with dogs.

Mr. Bain: I thank my right hon. Friend for that reply. Does he share the concerns of constituents who have written to me to say that if the 2004 Act were repealed the only part of Britain that would have a ban on hunting foxes with hounds would be Scotland? Does he agree that this cruel and barbaric practice should be consigned to where it belongs—the scrap heap of history?

Hilary Benn: I do indeed agree with my hon. Friend. I find it very hard to understand why it is the Opposition's policy to enable the repeal of the hunting ban, because that is not in line with public opinion. It would help in the process of understanding the policy being urged upon the Government if the Opposition could make it clear whether their policy also extends to allowing a return to stag hunting and hare coursing. I wrote to the Leader of the Opposition about this some time ago and I have not had the courtesy of a reply.

Anaerobic Digestion Facilities

16. **Mr. Philip Dunne** (Ludlow) (Con): How many anaerobic digestion facilities for the disposal of fallen stock have been opened in each of the last three years. [324066]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dan Norris): Disposal of fallen stock by means of anaerobic digestion is not permitted under the EU Animal By-products Regulation 1774/2002. This is because of the animal and public health risk associated with such means of disposal.

Mr. Dunne: I thank the Minister for that reply. Last July, the Government set up an anaerobic digestion task group which, in conjunction with the Renewable Energy Association, recommended feed-in tariffs to encourage the use of anaerobic digestion for biogas electricity production. Those recommendations have been completely ignored by the Government. Instead of four bands, they have proposed two bands at a lower level. This will not provide sufficient encouragement

Mr. Speaker: Order. We must have a question, not a series of statements. One sentence and we will finish.

Mr. Dunne: My question to the Minister is: how will this reduced feed-in tariff lead to the development of 1,000 anaerobic digestion plants on farms as the Government are hoping?

Dan Norris: This is a new feed-in tariff, but capital allowances will deal with the problem that the hon. Gentleman raises. May I take this opportunity, Mr. Speaker, to announce that today our implementation plan for anaerobic digestion will be published? The plan sets out how we will work with partners in the public and private sector to accelerate the uptake of anaerobic digestion in England. This will include things such as feed-in tariffs, anaerobic digestion programmes and other such elements.

Food Wastage

18. **Mr. Andrew Pelling** (Croydon, Central) (Ind): What steps are being taken to reduce the level of food wastage. [324068]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): The Government are working with the Waste and Resources Action Programme—WRAP—to cut food waste through the "Love Food Hate Waste" campaign and the Courtauld commitment, and we are working with the Food Standards Agency to improve the understanding and use of guidance on food date labelling and storage.

Mr. Pelling: The pressure group Pig Business has highlighted that 4.1 million tonnes of food is wasted every year. In addition to the good work that the Government are doing, as listed by the Secretary of State, what work can be done with supermarkets to encourage a reduction in food waste?

Hilary Benn: A number of supermarkets are working very hard towards reducing that and towards sending no food waste to landfill. Indeed, I visited one of the nation's anaerobic digesters at the start of the week, and there were two great big piles of waste—one had come from supermarkets and stores and the other had come from households, principally in west London. That plant is generating about 2 MW of renewable energy, thereby turning a problem into an opportunity for the nation. That is why we need more of that, and the measures to which the Under-Secretary, my hon. Friend the Member for Wansdyke (Dan Norris), has just referred will encourage a further increase in the number of anaerobic digester plants.

Mrs. Ann Cryer (Keighley) (Lab): When my right hon. Friend next talks to food producers and packers, will he ask them to bear it in mind that an increasing number of us are living alone? It would be much easier to stop throwing food away if, for example, packets of bacon were reduced from eight rashers to just four rashers.

Hilary Benn: I agree completely with my hon. Friend. Another step that some supermarkets have taken is to move from "buy one get one free" offers to "buy one now, get one free later". That simple change gives the same benefit to the consumer and helps to reduce food waste, so I warmly encourage it.

Mr. Michael Jack (Fylde) (Con): As this will be my last Question Time, may I thank the Secretary of State and his team of Ministers for the help that they have given to the Select Committee on Environment, Food and Rural Affairs? In that context, in our report on—

Mr. Speaker: Order. Is the right hon. Gentleman going to ask Question 19?

Rural Economy

19. **Mr. Jack:** What steps his Department is taking together with other Government Departments to strengthen the rural economy. [324069]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dan Norris): Rural economies are as diverse and, on average, as strong as their urban counterparts. All parts of Government are committed to supporting rural economies through mainstream departmental programmes. Those include £3.9 billion-worth of support to businesses and communities, from 2007 to 2013, from the rural development programme for England, as well as maintaining rural post offices through a £150 million annual network grant and providing £2.6 million in European recovery programme support for rural community broadband.

Mr. Jack: Given that list of activities, why does the Minister think that the rural advocate, Stuart Burgess, said in his latest report that

"the future viability of our rural communities is at risk if young people are unable to live and work"

in our rural areas?

Dan Norris: The rural advocate, who was, of course, appointed by the Prime Minister, was absolutely right to point out those concerns. I, too, represent a rural constituency, and it is clear to me that young people are being forced to move out because there is a lack of affordable homes in rural communities. Local authorities have to work with Government and other people within rural communities to provide that housing, but that simply is not happening.

Topical Questions

T1. [324071] **Mr. John Grogan** (Selby) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): It is the Department's responsibility to enable us all to live within our environmental means. I am pleased to tell the House that I am today placing a copy of Sir John Lawton's progress report on his review of England's wildlife sites and ecological networks in the Library. The work is looking at all land, not just that which is currently designated, and will examine the opportunities to help land managers to restore and enrich England's natural environment using such things as biodiversity offsets, agri-environment schemes and other measures. I look forward to acting on Sir John's report when it is published in the summer.

Mr. Grogan: Are Ministers a little disappointed that, out of the 43,000 miles of river in England and Wales,

fewer than 1,500 are open to canoeists, still? Given that the Welsh Assembly is thinking of following the Scottish model of opening access to the country's rivers completely, is there not a danger of England being left behind?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): First, may I commend my hon. Friend on his work to promote access for canoeists? We have had some useful meetings, and I can give him a commitment to bring together the various stakeholders—the Environment Agency, himself, the canoeing fraternity, anglers and others—to sit down and see what more we can do. We should approach this matter in partnership to make sure that we have biodiversity in our rivers, that our rivers are healthy and that there is good access to them.

T2. [324072] **Ann Winterton** (Congleton) (Con): What action is the Secretary of State taking to validate the polymerase chain reaction test to detect tuberculosis-infected badger setts?

Hilary Benn: We continue to work on effective means of diagnosis. The problem, as the hon. Lady will know, is that there is currently no reliable in-field test to identify it. On bovine TB, the House will, I am sure, want to know that the injectable badger vaccine has been approved by the veterinary medicines directorate. That means that the six demonstration projects on which I have previously reported to the House can now go ahead in the summer.

Lynne Jones (Birmingham, Selly Oak) (Lab): Will the Secretary of State join me in applauding the trail-blazing work of the National Industrial Symbiosis Programme, whose methods for ensuring that business waste is used as a valued resource are now attracting attention from all over the world—and, indeed, exports? Will he ensure that the Treasury continues to enjoy the benefits of that input to the economy by not cutting that programme?

Hilary Benn: I echo everything that my hon. Friend has said about NISP. It is groundbreaking stuff. Any Member who wants to see just how good it is should look at its latest annual report, which is stuffed full of examples. For instance, under that programme, people with materials that they no longer need are brought together with those who want to make use of them. This really important work shows us the potential to make much more resource-efficient use of materials in the future. We will continue to support that.

T3. [324073] **Simon Hughes** (North Southwark and Bermondsey) (LD): This month, Natural England identified nearly 500 animals and plants that have become extinct in England in the past 200 years, including the gypsy moth and the great yellow bumblebee. Last week, at the international convention on endangered species, we failed to provide protection to the bluefin tuna. What advice does the Secretary of State give to his successors so that we can make more effective the protection of endangered species at home and abroad?

Huw Irranca-Davies: The hon. Gentleman is correct in saying that we need to keep looking at the mechanisms on how we reach the right decisions for biodiversity, for the natural environment and for climate change, too, in tackling those issues. I hope that he recognises that this Government have been at the forefront on not only the protection of bluefin tuna but other international welfare issues.

One of the encouraging things was that although Natural England's report, which the hon. Gentleman rightly highlights, showed the decline across a range of species, it also pinpointed our successes. It offered a note of optimism in that if we make the right decisions as a Government and collectively, we will make progress and will reverse the declines that we have seen in this country.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that it is important that DEFRA, when it is procuring advice and consultancy, should seriously consider the great work that is done by small charities such as Urban Mines, which I chair? Does he share my concern that the big commercial consultancies are often coming into that field, tendering and getting work for which they are much less well qualified?

Hilary Benn: In taking decisions about procurement for consultancy work—as we have already made clear, we will need to make savings on that—it is important that we take on the people who are best qualified to do the job of work.

T4. [324074] **Mr. Roger Williams** (Brecon and Radnorshire) (LD): My hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) has already raised the issue of biodiversity and the Government's approach to it. At the next meeting of the International Whaling Commission in June, it is feared that there will be a decision to reintroduce commercial whaling. If no consensus is reached by the European Union IWC members, all European member states will have to abstain. Can the Minister assure me that the UK will oppose the resumption of commercial whaling, even if it means breaking the informal European agreement to abstain, and vote against any proposal that would endorse any form of commercial whaling?

Huw Irranca-Davies: We are resolutely opposed to any form of commercial whaling—we always have been and always will be. Our position is clear: we oppose all forms of whaling other than limited whaling operations by indigenous people for clearly defined subsistence purposes. As we have reservations about the reform proposals, not least because there is no guarantee of a significant reduction in the number of whales killed and because they do not provide for a phasing out of either scientific or commercial whaling, I will be writing to and seeking a meeting urgently with the European Commission to ensure that any EU common position works in favour of whales rather than in favour of whalers.

Martin Salter (Reading, West) (Lab): The Minister will be aware of the hare-brained plan set out by the last but one Leader of the Opposition to abolish the anglers' rod licence, which was hinted at again this week by the current Leader of the Opposition in his *Angling Times* interview. Based on today's figure, that would mean stripping £24 million or 70 per cent. from the Environment Agency's fishery budget. This means no restocking,

dirtier rivers and a bleak future for Britain's 3 million anglers. Would the Minister confirm the Government's commitment to retaining the anglers' rod licence and its income for fisheries work?

Huw Irranca-Davies: My hon. Friend has put me on the spot somewhat, but I can give him a guarantee on the matter. The rod licence is one of our rare hypothecated levies, and the proceeds from it go directly back into river management. The guarantee that I give him is that, when this Government are returned, we will make sure that that continues, to the benefit of anglers and others.

T5. [324075] **Sir Alan Beith** (Berwick-upon-Tweed) (LD): Do Ministers realise the practical difficulties that sheep farmers face in implementing the ear tagging electronic reading scheme? Those difficulties have been added to by the abolition of the five-year rule, which means that farmers have to use the scheme even when moving sheep between their own nearby fields. Will he make sure that, at least in the first year, the authorities place the emphasis on helping, working with and supporting farmers, and not on rushing into prosecutions?

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): The right hon. Gentleman will be aware that when the eID regime was introduced we fought right to the end at negotiations in Brussels to secure some late improvements and amendments to the benefit of British farmers. We will continue to press for such changes, because we think that the scheme can be improved still further. We will do what we can to help the industry deal with the new regulations.

Mr. Speaker: I call Jane Kennedy.

Jane Kennedy (Liverpool, Wavertree) (Lab): Thank you, Mr. Speaker. It is my swansong too, and I am grateful for your generosity. Has my hon. Friend seen early-day motion 1142? Does he accept that it ought to be a matter of concern to the Government that a decision at Warwick university, which I perfectly understand, is risking the applied science research base in agriculture and horticulture in the UK? It would be very helpful if Ministers could lead an impact assessment of that decision.

Jim Fitzpatrick: Strangely, Mr. Speaker, I have here a copy of the early-day motion put down by my right hon. Friend, who is a highly regarded parliamentary colleague and a distinguished former Minister in the Department. We recognise the concerns that she raises in her early-day motion. We will look at them and report back to her as soon as we can.

T6. [324076] **Robert Key** (Salisbury) (Con): The five rivers that flow into the Avon basin are being depleted by abstraction. Has the Secretary of State finished reflecting on last year's consultation on the abolition of Crown immunity from water abstraction licensing, particularly as it applies to the Ministry of Defence and its establishments on Salisbury plain?

Huw Irranca-Davies: I commend the hon. Gentleman for applying continuing pressure on this issue. He is right to do so, because the impact of abstraction can be significant in the beautiful areas that he represents. As he knows, we consulted last summer about implementing the remaining water abstraction provisions of the Water Act 2003, including on the removal of exemptions for Crown bodies. He will be slightly disappointed to hear that we are still considering the responses to the consultation. They are complex, so I am unable to say when abstraction provisions will be introduced, but we are actively considering all the detailed issues.

Several hon. Members *rose—*

Mr. Speaker: Order. My appetite for hearing colleagues' questions and Ministers' answers is almost unlimited. I would like to be able to satisfy that appetite, so short questions and short answers are required.

Mrs. Ann Cryer (Keighley) (Lab): My question is about local food sourcing by the public sector. Is my hon. Friend aware that Airedale general hospital in my constituency now gets all its meals trucked from Pembrokeshire by a company called Sodexo? I campaigned against that, with people from the local community, but to no avail. That is what is happening, and it is absolutely ludicrous.

Jim Fitzpatrick: As I said in response to an earlier question, I recently had a meeting with my ministerial colleague at the Department of Health, my hon. Friend the Member for Lincoln (Gillian Merron), when we discussed the question of procurement. I am disappointed to hear of my hon. Friend's experience with her local hospital. We are doing everything that we can to increase the amount of locally produced food procured by Government Departments.

T7. [324077] **Sir Nicholas Winterton** (Macclesfield) (Con): Agricultural and horticultural shows, such as the one in Poynton in my constituency or the annual trials held by the Macclesfield and District Sheep Dog Trials Association, are getting increasingly costly. They are also getting more difficult to organise each year because of regulations, health and safety considerations, and so on. Is there anything that the Government can do to try and ensure that these wonderful countryside traditions can continue?

Jim Fitzpatrick: Some of the great memories that I will take from serving as Minister of State at DEFRA over the past 10 or so months are the visits to agricultural shows across the country. I certainly hope that I will be able to continue to visit shows after the election, but that is beyond my gift. The Government recognise the importance of the shows, and I assure the hon. Gentleman that we will do what we can to help organisers make sure that they can continue.

T8. [324078] **Mr. Henry Bellingham** (North-West Norfolk) (Con): The hon. Member for Reading, West (Martin Salter) mentioned the Leader of the Opposition's comments in *Angling Times*, but what my right hon. Friend actually said was:

"What we can promise you is that we will have a proper conversation about the licence. If it works and it is genuinely hypothecated we will keep it."

Does the Minister agree that the hon. Member for Reading, West, should not be playing cheap politics with anglers in this country?

Huw Irranca-Davies: I understand that the Leader of the Opposition has been giving many interviews lately. Let me tell him that there is no need for any conversation about the licence; it does work, and we are keeping it.

T9. [324079] **Mr. Michael Jack** (Fylde) (Con): In the light of the report on the National Forest and its future by the Select Committee on Environment, Food and Rural Affairs, what reassurance can the Minister give the body that its funding will be maintained, so that its long-term reafforestation work can continue?

Huw Irranca-Davies: I am glad that the right hon. Gentleman gives me the opportunity to raise the fact that we are increasing woodland coverage. In the UK, it is now 2.8 million hectares, up from 2.2 million hectares back in 1980, and it is continuing to increase. Of course, as part of our climate change commitments, we have an undertaking to increase woodland coverage, not least for the commercial conifer sector, which needs the wood to trade with.

T10. [324080] **Mr. David Jones** (Clwyd, West) (Con): This week, the Select Committee's report on the failure of Dairy Farmers of Britain expressed regret that Her Majesty's Revenue and Customs will not allow income tax relief to farmers who converted the debt owed to them by the co-operative into shares. Will the Secretary of State join the Select Committee in urging HMRC to reconsider its position?

Hilary Benn: We will, of course, look very carefully at the Select Committee report. There are a lot of lessons to be learned from what happened, but I welcomed the Committee's kind words about the role that DEFRA played in trying to support Dairy Farmers of Britain through the difficult times that it experienced. I pay tribute to my colleagues who worked very hard on the issue.

Mr. Desmond Swayne (New Forest, West) (Con): I am indebted to your appetite, Mr. Speaker. The Secretary of State has already lost twice in the High Court to the Lymington river association. Can we avoid another expensive spat? Will the Minister show Natural England the rough end of a pineapple to encourage it to take seriously the evidence that the association is giving it?

Huw Irranca-Davies: The hon. Gentleman and I have had many conversations and a deal of correspondence on the issue. He has worked hard on behalf of his constituents. There are lessons to be learned all round, not least by the ferry operators. Natural England will continue to do what it is doing. It is good at engagement on the ground with stakeholders, but there are lessons to be learned to help us to avoid such situations in future.

Bob Spink (Castle Point) (Ind): Will the Minister show the rough end of a pineapple, and give much stronger advice, to my local council, Castle Point borough council, to stop it planning to put a massive housing estate on our floodplain?

Huw Irranca-Davies: I will take up the hon. Gentleman's issue with the Environment Agency, but he will understand that we do not intervene in individual applications for housing developments. The review that we have undertaken of planning policy statement 25 on building on floodplains, and Sir Michael Pitt, have made it clear that local authorities have to be able to put forward a good case for building on floodplains occasionally; otherwise, towns such as Hull, and places such as the centre of Lowestoft, would be condemned to planning blight for ever.

Mr. Speaker: I call Mark Pritchard.

Mark Pritchard (The Wrekin) (Con): Thank you, Mr. Speaker. I appreciate this surprise. *[Laughter.]*

Mr. Speaker: Order. I gently say to the hon. Gentleman that he was standing up a few moments ago. I thought that he was going to congratulate me on my generosity.

Mark Pritchard: I fear this is becoming a love-in, but thank you for the surprise, Mr. Speaker; it is not even my birthday.

On a serious point, may I challenge the Secretary of State on why this country still has 5,000 primates being kept as so-called pets? Is it not time to end that barbaric practice, rather than just licensing it?

Jim Fitzpatrick: We recognise the concerns raised by many people across the country on that area of policy. The regulations are there to give the protection that people expect, and obviously we keep them under review. There is growing concern about the keeping of primates or other species, particularly those that are endangered, and about animals in circuses, but we always maintain vigilance to make sure that policy reflects public opinion, and that the highest standards of animal welfare are maintained.

Business of the House

11.35 am

Sir George Young (North-West Hampshire) (Con): Will the Leader of the House give us the business for next week?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week is as follows:

MONDAY 29 MARCH—Continuation of the Budget debate.

TUESDAY 30 MARCH—Conclusion of the Budget debate, followed by consideration of Lords amendments to the Personal Care at Home Bill.

The business for the week commencing 5 April will include:

TUESDAY 6 APRIL—Second Reading of the Digital Economy Bill *[Lords]*, followed by consideration of Lords amendments to the Equality Bill.

WEDNESDAY 7 APRIL—Consideration in Committee and remaining stages of the Northern Ireland Assembly Members Bill *[Lords]*.

THURSDAY 8 APRIL—A general debate on international development.

FRIDAY 9 APRIL—The House will not be sitting.

Sir George Young: The House is grateful for the forthcoming business.

Will the right hon. and learned Lady confirm the worrying rumour that this is her last business questions? Does she seriously believe that on Thursday 8 April the House will debate international development, important thought that subject is?

Yesterday, why did the Chancellor fail to explain that he was freezing all personal allowances below the level of inflation, leading to a £2.2 billion stealth tax on 30 million people? When the measure was announced in the pre-Budget report, inflation was negative; now it is 3.7 per cent. That will take almost £50 out of the pockets of the lowest paid. Is that what the Government call "A Future Fair for All"?

Next Tuesday, when a Treasury Minister winds up the last day of the Budget debate, will he take the opportunity to explain why the taxman is failing to pick up the telephone? Almost 45 million people failed to get through to Her Majesty's Revenue and Customs last year—with many others stuck on hold. Does the right hon. and learned Lady think that that is acceptable?

Once again, will the right hon. and learned Lady correct the record for the Prime Minister? Last week she turned down my offer of an opportunity to apologise for the Prime Minister's inaccurate use of figures on defence spending. Now he has failed to come to the House to explain why he said on 17 March that 300,000 businesses had been supported through the recession by HMRC's deferred payment scheme—despite the real figure being cited in a parliamentary answer as 160,000.

Can we also have a statement on freedom of information requests? The Government have done everything in their power to prevent the publication of papers relating to the Prime Minister's decision to sell our gold reserves, as well as his disastrous raid on pensions. Yesterday, at Question Time, the Prime Minister said:

> "It is a matter for the Information Commissioner".—[*Official Report*, 24 March 2010; Vol. 508, c. 240.]

But it is only a matter for the Information Commissioner because the Treasury has refused to make the papers available. If the Government are so relaxed, why do they not publish all that information today?

Can I press the right hon. and learned Lady again on her plans to implement the Wright Committee's recommendations on strengthening the House, and to do so before Dissolution? I note she has tabled the Standing Orders, but they do not make it clear that topical debates score as one quarter of a day, as Wright recommended. Will she re-table the Standing Order with that amendment? Will she also sketch out the details of her plan B, which she shared with the House last week? If amendments are tabled to her Standing Orders, as they have been to the other Standing Orders, when will we debate them before Dissolution?

Last week, the right hon. and learned Lady failed to assure the House that all written questions would be answered before Dissolution. According to the parliamentary information service, more than 2,000 questions are still outstanding. Will she make sure that all Ministers respond properly by the end of the Session?

Turning to next week's business, I note that when we agreed to adjourn next Tuesday after the Budget, we did not know that we would be debating the Lords amendments to the Personal Care at Home Bill after all the Budget votes. That Bill is an important piece of legislation, on which the Government suffered several humiliating defeats in the upper House. I note also that we will be sitting earlier that day, but would it not be better to delay the recess by one day and deal with the legislation properly on Wednesday? That would also give the House the opportunity to debate the Easter Adjournment, a debate that the right hon. and learned Lady has denied to Back Benchers, many of whom were hoping to use it as an opportunity for a valedictory speech. That extra day could also be used to debate the Standing Orders in respect of the Committee on Reform of the House of Commons, and of course we could have another round of Prime Minister's questions.

Finally, given that this may be the last opportunity to reflect on the high points of this Parliament, does the right hon. and learned Lady recall her victorious deputy leadership campaign? Apparently, this was not as well received as it might have been. According to an eye-witness—one of his aides—when the Prime Minister discovered the result, "his face fell", but

> "he put his hands on my shoulders and said: 'It will be all right. We'll make it all right'."

Has he made it all right?

Ms Harman: What I have done today is to announce the business for this week and the provisional business for the week after the recess, and that is the normal way we do things. I do not confirm anything beyond what I say in the business statement.

On the Budget debate, the right hon. Gentleman will have heard that this is a Budget that helps to secure the recovery, helps to invest in industry and new jobs, helps to protect front-line public services, and helps the many, not the few. He will not have seen in the Budget an announcement that there would be cuts in inheritance tax for the top 2,000 richest families; instead, he will

have seen an increase in the minimum wage and a continued commitment to tax credits. We do not need any lessons from the Opposition about fairness.

As for improving the services of HMRC, the Public Accounts Committee report came out today, and obviously we will reflect on that.

On the question of the number of businesses that have been helped by being allowed to defer paying their taxes, giving them more time to pay, I will write to the right hon. Gentleman and place a copy of the letter in the Library. I thought that more than 200,000 businesses had been able to approach HMRC and ask to defer any of their taxes so that they could stay in business through the recession. Irrespective of the final figures—I will ensure that I give him an accurate version and place a copy in the Library—I would say very strongly that this has been part of the Government's help to small, medium-sized and larger businesses, all of which has resulted in revenue not going into the Treasury; that has been partly why the deficit and public borrowing have increased, which was necessary to sustain businesses through the recession. Whatever the figure is, whether it is 200,000 or 300,000, it represents businesses that have been saved and jobs that have not gone down the pan, and all those things would not have happened if the Opposition were in government, because they opposed these measures.

On the Reform of the House of Commons Committee proposals, we have put on the Order Paper the Standing Orders that give effect to the resolutions of the House, and we will bring those forward for approval by the House on Monday. Those Standing Orders do no more, and no less, than what the House agreed to in its resolutions of 4 March, so they sit absolutely on all fours with those resolutions. Because the Standing Orders will give effect to resolutions that were agreed by the House after debates of some 10 hours—they simply put into effect the express will of the House—it is my expectation that they will be agreed without dissent. I hope that that will happen on Monday.

As regards parliamentary questions, we expect all written parliamentary questions to be answered, and we are liaising with Departments about that.

On the Personal Care at Home Bill, the right hon. Gentleman has drawn to the House's attention the fact that, yes, there is a motion on the Order Paper for the House to sit at 11.30 am on that day rather than at the normal time. We have a short recess this time. I have set out the business on the basis that we will be coming back on the Tuesday after bank holiday Monday, which is quite an early return.

Mr. David Heath (Somerton and Frome) (LD): May I ask the Leader of the House when she decided to adjust the timing of next Tuesday's sitting? Some prior consultation would have been extremely helpful, not only with other parties, but with Officers of the House and others who have to make the arrangements. It is not easy suddenly—on a whim—to change the timing of events.

I hear what the right hon. and learned Lady said about the inaccuracies in the Prime Minister's statements. I agree with her—it was a good thing to have arrangements to help businesses through the recession, but an impressionistic, "This is a good thing" does not excuse the Prime Minister's saying that 300,000 businesses were helped when the actual number was barely half—160,000. It is not good enough for the Prime Minister to give the House inaccurate figures. Clearly, double counting was involved, and the number of events rather than businesses was given, but let us correct the figure—let us have an opportunity to put it right.

I obviously listened carefully to the Chancellor of the Exchequer yesterday and I heard him announce the people's bank proposals and say that everyone can have a basic bank account. While we are considering double counting, I wonder whether we can find time to contrast yesterday's announcement with that by the Chancellor's predecessor, the current Prime Minister, in the Budget speech in 2000. Following the Cruickshank review, he said that he would

"offer this basic banking service to all". [*Official Report*, 21 March 2000; Vol. 346, c. 868.]

The words are almost the same, but there is an interval of 10 years between the two announcements. Can we please not have re-announcements of policies without subsequent activity?

Last week, I mentioned two important private Members' Bills, which have a great deal of support from Members of all parties: the Debt Relief (Developing Countries) Bill, which deals with so-called vulture funds, and the Sustainable Communities Act 2007 (Amendment) Bill. I add to that the Grocery Market Ombudsman Bill, which is remarkable because we found an hour and a half to debate the Ways and Means motion and the money resolution on it only this week. If the Government can find time for those resolutions, surely they can make clear their intentions about providing time for those Bills to complete their passage in the House. Why must we be kept in the dark about that? Why cannot the Leader of the House tell us whether, if the Government support the measures, they will complete their progress in this House and go to another place in time for Second Reading and to be included in the wash-up?

On the Back-Bench business committee, I am told that I have a suspicious mind—I think that the right hon. and learned Lady said last week that I had problems with trust. For heaven's sake, I trusted the Leader of the House to do what she said: consult the right hon. Member for North-West Hampshire (Sir George Young) and me about the content of the motions. No consultation happened. I trusted her to table them in good time to enable debate to happen in good time, yet they have finally been tabled only today. She said that they will be on the Order Paper below the line on Monday. If there is an objection on Monday, will she tell us, without prevarication, when she will allocate one and a half hours to debate them? There is no reference in what she has put on the Order Paper or in her explanatory memorandum to the House's major decision to establish not just a Back-Bench business committee, but a House business committee. There is a motion from the Wright Committee to that effect on the Order Paper. Will the Leader of the House provide time for that?

In the past couple of years, business questions have been characterised by complaints from Opposition parties about misinformation, double counting, recycled announcements and business organised for the benefit of the Government, not the House. I hope that we can do better in the next Parliament.

Ms Harman: The Personal Care at Home Bill, which has been through the Lords, is important, and it is right that it should come back to the House of Commons so

[Ms Harman]

that we can ensure that those with the greatest needs get free care in their own home. I would have thought that the hon. Gentleman welcomed the opportunity for the House to consider the Lords amendments.

As far as businesses are concerned, the Treasury briefing that I have here says:

"Over 200,000 businesses"—

I will get the precise figure, but it is not half of what the Prime Minister said, as the hon. Member for Somerton and Frome (Mr. Heath) suggested—

"employing over 1.4 million people have been helped with cash flow by spreading payment of over £5 billion in tax bills."

That is important. I would say that the hon. Gentleman should be supporting us in allowing the deficit to rise to help businesses so that they do not go out of business. Obviously, it is important that we settle the issue of the figures, but the substantive point is that we have been helping businesses through the recession.

We have been helping not only businesses, but home owners—financial support and advice has helped 330,000 to stay in their homes. In addition to the time to pay scheme from Her Majesty's Revenue and Customs and the car scrappage scheme, numerous other schemes have helped businesses through the recession. The Prime Minister's record on this, bearing in mind what happened to the economy when there was an unprecedented global financial shock, is that he took action to support businesses, to support jobs, and to support people staying in their own home. Instead of carping about what the absolutely precise figure is, the hon. Gentleman should be welcoming the support that was given to businesses in his constituency and around the country. We do care about the figures, and I will get accurate figures to him, but let us just focus on the substance.

The hon. Gentleman talked about the Debt Relief (Developing Countries) Bill. I reiterate what I said last week at business questions. We strongly support that Bill—there is no doubt about that—and we also strongly support the Sustainable Communities Act 2007 (Amendment) Bill. However, for a Bill to succeed, it not only has to complete its passage in this House, but to have made some progress in the House of Lords. He knows that at this point in the Session—especially given that although we have some rudimentary control over business in this House, the Government have no control over the House of Lords and there are no timetabling procedures there—he should focus his attention, as we are, on seeking the support of the official Opposition. If they stopped their blocking of the Debt Relief (Developing Countries) Bill, we could get it through—*[Interruption.]* They are protesting, but they objected on Third Reading, and it was the Chair of the Public Bill Committee that considered the Bill who called, "Object." I ask the official Opposition to get their Members to stop blocking the Bill. If it is the official Opposition's position, they should unblock the Bill.

As for the proposals from the Wright Committee—the Select Committee on Reform of the House of Commons—if the hon. Member for Somerton and Frome thinks there is something about the Standing Orders that we have drafted and that have been on the Order Paper for a number of days—*[Interruption.]* It is a consultation, because it is actually on the Order Paper. The hon. Gentleman can look at it, and if he thinks that the Standing Orders do not reflect the will of the House—if he thinks they go further or do less than that—he can come and ask me to re-table them in the form that he believes will accurately express that. However, I do not think that he will do so, because the Standing Orders have been drafted exactly to express the will of the House.

The point is that we are not having further decision making on this; we are having enactment. Therefore, we have made it clear what we are doing. If there are any technical objections that we have not done enough or that we have done too much, that is fine, but I do not think that that will be case. We have tried completely and faithfully to put into Standing Orders the resolutions of the House. They will be going forward, but not until Monday, at which point the House should approve them. The hon. Gentleman should be directing his attention to working to ensure that this House seizes the opportunity of completing the process of reform by getting the Standing Orders agreed on Monday.

Several hon. Members *rose*—

Mr. Speaker: Order. Twenty-six right hon. and hon. Members are seeking to catch my eye. As always, I should like to be able to accommodate everybody, but if I am to have any chance of doing so, brevity must be the order of the day.

Mr. Neil Gerrard (Walthamstow) (Lab): It is obvious that we are not going to have time to give the normal scrutiny that we should to the Digital Economy Bill on Second Reading. As someone who is broadly supportive of that Bill, may I say to my right hon. and learned Friend that I am concerned that it will be rushed through—it involves some very complex issues—on the basis of a deal between Front Benchers?

Ms Harman: The Ministers responsible for the Bill are well aware of the concerns that have been raised, not least on many occasions in business questions. They are well aware of the importance of the measure. It is my responsibility at this point simply to announce that Second Reading will be on 6 April, but I can assure my hon. Friend and hon. Members that Ministers are aware of the points that are being made.

Mr. John Greenway (Ryedale) (Con): It is widely reported that the sudden, tragic death of 24-year-old Lois Waters from Norton-on-Derwent in my constituency may be linked to that young woman taking this terrible drug, mephedrone. I am sure the House would want to join me in sending condolences to her family and friends. If, because of lack of time, we cannot have a statement on the report of the Advisory Council on the Misuse of Drugs—I understand that such a report is about to be presented to Ministers—can the Leader of the House ensure that the advice of Professor Iversen and the council is published, so that voters will know which political party is going to take action on that appalling drug?

Ms Harman: I join the hon. Gentleman in sending my condolences to the family of his constituent. As the Prime Minister said yesterday, just because something has yet to be banned does not make it safe. It is very

important that the warning goes out to all young people that they should not be taking mephedrone. As far as the advice is concerned, it is being brought forward expeditiously. The Government will consider it expeditiously and make our decision clear soon, but I think it is important in the meantime for us all to be warning young people that just because mephedrone is yet to be banned does not mean it is safe.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. and learned Friend agree that Sure Start children's centres have been one of the most transformational aspects of policy in recent years? There are now 3,500 in this country. The Select Committee on Children, Schools and Families will publish a report on this very subject next week. Is there a way for us to have a short debate to focus on that, because I think that people in this country ought to know what the attitudes of all the political parties are to the maintenance of such a wonderfully transformational policy?

Ms Harman: I congratulate my hon. Friend on the work that the Select Committee that he leads has been doing on Sure Start children's centres and the emphasis that it has put—for a long period of time—on early years. Not only are there clear educational benefits from good early-years provision, which is what Sure Start children's centres provide, but they are absolutely what parents want. They want to see their children happy, safe and developing well in the children's centres. On the conclusion of the Budget debate on Tuesday 30 March, the Secretary of State for Children, Schools and Families will be speaking, and there will be an opportunity for hon. Members to speak in that debate or to intervene on the Secretary of State.

However, I would say this to my hon. Friend: whatever the Conservatives say about Sure Start children's centres—especially in the run-up to an election—I would not trust them as far as I could throw them on the question of protecting children. When they were in government, they did nothing for child care. They have all the way moaned that it is about political correctness and that it is undermining the traditional wife-at-home scenario. They have never supported this agenda, but they have been caught out because it is what the public want. The Conservatives cannot be trusted on this.

Mr. John Baron (Billericay) (Con): Notwithstanding Government spin, does not the Leader of the House accept that the freezing of personal allowances will hit the poorest and the low earners the hardest?

Ms Harman: I think that what really matters to people are tax credits, the minimum wage, the opportunity to have and keep a job, and that we make sure that this economy keeps growing and that we tackle unemployment. All those things will help people, unlike the only tax commitment from the official Opposition, which is to cut inheritance tax for the wealthiest together with cutting tax credits and cutting child trust funds.

Mr. Denis MacShane (Rotherham) (Lab): May we have an early debate on the expenses of Members of the European Parliament, because Mr. Nick Griffin, the well known racist and anti-Semite, has already trousered several hundred thousand pounds, which have disappeared we know not where, to promote his noxious creed, and because the £2 million that Mr. Nigel Farage boasted on television about claiming in expenses last year are still totally unaccounted for? We need transparency, and certainly in the case of Mr. Farage we need a full investigation and audit so that we can know where some of our taxpayers' money has disappeared to.

Ms Harman: My right hon. Friend makes an important point. This is all public money and the public should be concerned if it is being misused. I will take the opportunity to get the relevant Minister to write to him, and I will place a copy of the letter in the Library. No doubt my right hon. Friend will place it in the public domain.

Sir Patrick Cormack (South Staffordshire) (Con): Why can we not have a proper day on Tuesday, sit on Wednesday and have the Adjournment, and thus give proper time to the Personal Care at Home Bill? That would be entirely in accord with the wishes of most Members.

Ms Harman: Well, on Tuesday, we have the conclusion of the Budget debate, which will be opened by the Secretary of State for Children, Schools and Families and closed by the Chief Secretary. After that, we will have time for consideration of Lords amendments to the Personal Care at Home Bill, and that is a good form for business before the House rises for the recess.

Ms Sally Keeble (Northampton, North) (Lab): Is my right hon. and learned Friend aware that the Debt Relief (Developing Countries) Bill is down for consideration today with an amendment that the sponsoring Member has tried to withdraw—although it was not selected for consideration in any case? Will that count as an objection and prevent the Bill from going into wash-up? If so, will she have urgent discussions with the Opposition business managers to ensure that the Bill can reach the statute book before the election? That would go a long way to restore the confidence of much of the public not just in one party or another, but in the proper working of this Parliament.

Ms Harman: We strongly support that private Member's Bill, but without the support of the Opposition we cannot get it through this House and the Lords. If they will give that support, we will do everything that we can to give it a fair wind. I would support my hon. Friend's efforts to ensure that the Opposition are put on the spot as they hold the key to unblocking the progress of this Bill.

Mr. Peter Bone (Wellingborough) (Con): May I ask the next Leader of the Opposition whether we may have a statement next week on the failure of the Chancellor to freeze personal tax allowances, which is the biggest rise in the Budget—although he did not mention that—and will affect the poorest people in our society? May I suggest that that statement is entitled "We can't go on like this: it's time for change"?

Ms Harman: The hon. Gentleman will have an opportunity to amplify all these points as the Budget debate proceeds, not only this afternoon—led by the Secretary of State for Work and Pensions—but on Monday and Tuesday next week.

Dr. Tony Wright (Cannock Chase) (Lab): I thank my right hon. and learned Friend for bringing forward the order on the Back-Bench business committee. I also thank her for her general role in enabling this process to be carried forward to a successful conclusion. This has not been a happy Parliament, but we can at least claim that we have laid the foundation for a slightly happier one next time.

Can my right hon. and learned Friend confirm that there will be an opportunity for some consultation on the detail of what she proposes? Will the House have an opportunity to come to a decision on this on Monday?

Ms Harman: It is my intention that the House should have an opportunity to agree the Standing Orders on Monday. I am happy to discuss with my hon. Friend the precise form of the Standing Orders. I have tabled a written ministerial statement today, and my hon. Friend has tabled a motion on the Standing Orders. The Standing Orders that I have tabled differ from his in respect of the process for the election of Members to the committee, the process for the adoption of the agenda, the number of allotted days, topical debates, Westminster Hall and private Members' Bills, but I have set out in my statement why the Standing Orders that I have tabled give effect to the resolution of the House, whereas his motion would differ from and go beyond it. It is fine for him to table such a motion, but not for me, and I hope that we will obtain the House's approval on Monday.

I thank my hon. Friend for his role in bringing this forward. I am confident that we will make further progress on Monday, but even without doing so, we have already made a great deal of progress. I thank him and the members of his Committee for that.

Mr. William Cash (Stone) (Con): Has the Leader of the House had the opportunity to read the report by the Joint Committee on Human Rights on counter-terrorism policy and human rights? Does she note that it calls for a fundamental parliamentary review of counter-terrorism laws passed since 2001, and does she agree that it is not a review that is needed but the repeal of the Human Rights Act 1998, and a re-evaluation of the European convention on human rights, to protect the British people from terrorist acts and so that we have British laws for British judges? If necessary, we should abolish the Committee that produced this report.

Ms Harman: We strongly support the Human Rights Act which we introduced and which gives legal rights to people in this country if their rights under the European convention on human rights—to which we have signed up—are breached, and it allows them to go to court. That is a reassurance that when this House decides that it needs to pass laws to ensure that people are protected from terrorism, those laws do not breach individuals' human rights. That is what the Act guarantees. We always consider legislation carefully, but we also have the failsafe of matching it against the Act. Indeed, on many occasions, laws that we have passed have been subject to scrutiny in the courts for compliance with the Act. In addition, Lord Carlile reviews terrorism laws on an ongoing basis. We have to respect people's rights, but also ensure that this country is safe.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Following my right hon. and learned Friend's positive response to my hon. Friend the Member for Northampton, North (Ms Keeble) about the Debt Relief (Developing Countries) Bill, can she say whether she has received any approach from the shadow Leader of the House, whose garrulous ramblings failed significantly and deplorably even to refer to the Bill, to say that the Opposition—a member of whom blocked the Bill—will now co-operate in both Houses to make this desirable legislation law by the Dissolution?

Ms Harman: I thank my right hon. Friend for raising that point. It is not good enough for the shadow Leader of the House to nod that he supports the Bill: he needs to sort the situation out on his side. The Debt Relief (Developing Countries) Bill and the Sustainable Communities Act 2007 (Amendment) Bill are important Bills. The Opposition say that they support them, so they should get their act together and stop these Bills being blocked.

Tony Baldry (Banbury) (Con): The UK Border Agency kindly has a hotline for Members of Parliament and their staff to use to take up cases. May I write to the right hon. and learned Lady to demonstrate that, increasingly, when we telephone the hotline, staff just say that they cannot help us? An ever-increasing number of immigration cases therefore end up in permanent limbo in the system. That is very cruel to the constituents concerned and very frustrating for their parliamentary representatives who cannot do more for them.

Ms Harman: This issue is kept under continuous review by Ministers in the Home Office. Indeed, as a constituency MP I have much experience myself of the Members' hotline and I do not recognise the hon. Gentleman's depiction of it. There has been a dramatic reduction in the time it takes to determine cases. No one wants constituents to be left in limbo and subject to uncertainty. The time taken has been dramatically reduced, and I pay tribute to the helpline whose staff do everything they can to help us to help our constituents.

Mr. Tom Watson (West Bromwich, East) (Lab): It now seems likely that the two Opposition Front-Bench teams will have as much influence on the outcome of the Digital Economy Bill as my right hon. and learned Friend the Leader of the House. If they allow their shadow Ministers to collude with the music industry to bounce through complex copyright proposals in the wash-up, they will be enabling a democratic impropriety to take place. Will she work with business managers to bang some heads together in Departments?

Ms Harman: My hon. Friend has aired concerns that have been aired by other hon. Friends and across the House. I am sure that they will have been heard by Ministers, but if they have not, I will bring them to their attention.

Sir Nicholas Winterton (Macclesfield) (Con): May I be very gracious, speaking from the Opposition Benches, and thank the right hon. and learned Lady for honouring her response to me last week when I asked her a question about the Falkland Islands? The Minister responsible at the Foreign and Commonwealth Office has seen me and said that a letter is on its way to me.

My question to the Leader of the House is a very simple one: she has announced the business, including a debate the week after next on international development. Will she try to ensure that it goes ahead, not just for

those of us who are leaving the House, but because it will give me an opportunity to raise matters relating to the continuing problems in Zimbabwe, for which this country is uniquely responsible?

Ms Harman: As the hon. Gentleman will have heard, I announced the provisional business for the week commencing 5 April, including a general debate on international development. Over the past five or 10 years, this has been a commitment at the heart of the Government, from having created a Department for International Development—there was not one when we entered government—to doubling aid and putting the question of development, particularly of Africa, at the heart of the international political agenda. I hope that we will have our debate on Thursday 8 April. That aside, however, a great deal has been done on international development, and I pay tribute to the role that the hon. Gentleman has played in that respect.

Tony Lloyd (Manchester, Central) (Lab): May we have an early statement on the suspension by Justice Ministers of the Cartel claims handling company, which has milked about £20 million off the public and done very little work for it? It has refused to refund most of the money that it has taken. In particular, will the question about whether there should be an investigation into possible fraudulent activity by Carl Wright, the managing director, and his associates be part of that statement?

Ms Harman: Any allegations of fraudulent activity will obviously be a matter for investigation by the police. However, it is important that the Ministry of Justice, in its scrutiny of claims handling, can ensure that we protect claimants from bogus claims-handling services and that we can also protect those against whom spurious claims are made.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May we have an early debate entitled "The Wash-up Period"? That would enable right hon. and hon. Members to express the view that during the wash-up period, we should not be enacting legislation that has not been fully discussed in both Houses.

Ms Harman: The wash-up period allows there to be agreement between the Government and the Opposition. With those Bills that have been agreed on in the House of Commons, which have gone through their first, or all their stages in the Lords, and which have had their first-level agreement in the House of Commons, the choice remains of whether they should be left by the wayside or whether agreement can be reached to make progress on them. That is the process undergone. It is a very exceptional process that happens only at the end of the Parliament. I cannot really add further to that.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): May we have a debate on benefits for pensioners throughout the UK? One of the many achievements of this Government has been free bus travel for pensioners, but I am reliably informed that if the Opposition ever get into power, they will refuse to retain that service.

Ms Harman: I agree completely with my hon. Friend. The truth is that the Opposition seem to find plenty of money to give tax cuts to the wealthiest, but have never been interested in free bus travel for pensioners. Like me, the hon. Gentleman will welcome the Chancellor's announcement that he will continue with the winter fuel payment for another year. That will be very important to my hon. Friend's constituents and mine, and to pensioners throughout the country.

Mr. Andrew Mackay (Bracknell) (Con): I had always assumed that the Leader of the House was in favour of our freedom of information legislation, so why did she not answer the question from my right hon. Friend the Member for North-West Hampshire (Sir George Young) and say that the relevant Departments will now no longer block the requests concerning the selling of the gold and the effect on pensioners of taxation under the Prime Minister when he was Chancellor of the Exchequer? Will she give an absolute guarantee that those Departments will now withdraw their objections and stop blocking our freedom of information requests?

Ms Harman: The Prime Minister answered that question at the Dispatch Box yesterday. On pensions, however, I would like to say that when we came into government we had to deal with the massive problem of pensioner poverty. Since we have been in government, pensioners have no longer been what they used to be—most likely to be the poorest members of society. Along with tackling child poverty, we have done a great deal to tackle pensioner poverty. Indeed, for pensions of the future, we have ensured that there is an opportunity for employees to pay in, as well as requirements and obligations on employers to pay.

Mrs. Ann Cryer (Keighley) (Lab): Baroness Deech gave a lecture last week on the negative impact on children born of first cousin marriages, so would now not be an appropriate time to have a full and frank debate on the subject, which might encourage health authorities to publicise their genetic screening and counselling facilities?

Ms Harman: There has been a lot of debate on this subject, and my hon. Friend has played a leading part in that. There are Health questions next week, which no doubt will be an opportunity for her to air the matter with the Secretary of State for Health.

Mr. Andrew Pelling (Croydon, Central) (Ind): Will the Leader of the House agree, in light of yesterday's Budget debate, and given the important responsibilities of the House, that Members might be aided by having access to a Bloomberg terminal, bearing in mind the financial analytics, comprehensive news service and ease of access to economic figures that it provides?

Ms Harman: I understand that the director general of information services has written to the hon. Gentleman regarding that issue and said, in that letter, that the

"Department of Information Services subscribes to a wide range of electronic services to support the House and individual Members in the conduct of their parliamentary duties".

Although there are no current plans to introduce Bloomberg, staff in the Library are always happy to help hon. Members with requests for specific information.

Mr. John Grogan (Selby) (Lab): In my right hon. and learned Friend's role as one of the primary defenders of the democracy of the House, would she personally be content if the highly controversial Digital Economy

[Mr. John Grogan]

Bill, much influenced by lobbyists during its passage through another place, were to be rushed through this elected House of Commons on Easter Tuesday—a day, my sources tell me, when hon. Members might well have other things on their minds—and then rushed through all its final stages in a couple of hours the following day, without proper scrutiny?

Ms Harman: I agree with the sentiments of my hon. Friend: obviously we want proper scrutiny when passing Bills that have a level of technical complexity, such as the Digital Economy Bill. However, I know that he will agree that it is very important that we have the right sort of regulation for an industry that is important not only to lobbyists, but to the music, film and other creative industries. There are digital issues more widely, and others relating to access to fast broadband—all those issues about the economy of the future—and this Bill will play a part in ensuring that we have the right framework for those jobs in the future.

Christopher Fraser (South-West Norfolk) (Con): The Leader of the House will be aware that I have been championing in the House, for many years, the cause of men's health and, in particular, prostate cancer care. I was assured in 1998 that the Government were committed to seeking to provide equal access to high-quality services in this area. Does she agree that the Government have failed to deliver on this and that the opportunity has been wasted to put prostate cancer care on a par with that for other cancers?

Ms Harman: There has been a massive effort to improve cancer treatment, and mortality in respect of cancer has fallen. We are building on that with a guarantee for every individual for the period after they see their GP, but before they get to see a specialist oncologist. As well as the investment that we are putting into the health service, those guarantees for people who suspect that they have cancer—guarantees that the official Opposition would abolish—will be very important indeed. I recognise the role that the hon. Gentleman has played in raising awareness, and improving diagnosis and treatment of prostate cancer, and I suggest that he raise the issue with the Secretary of State for Health on Monday in Health questions.

Mark Pritchard (The Wrekin) (Con): Can we have an urgent debate on the NHS? Given that paediatric services, and accident and emergency services at the Princess Royal hospital remain under threat, why did the Government announce yesterday that they were taking £4 billion out of the NHS budget? Is it not now clear for everybody to see that the NHS is not safe in Labour's hands?

Ms Harman: Hon. Members, and indeed everybody in the public, will have heard our absolute commitment to primary health care, hospital services and community health care. We have transformed the NHS since we have been in government, and people will know that they can judge us on our record. People will also remember what the NHS was like when the hon. Gentleman's party was in government. Indeed, I can remember visiting Guy's hospital and talking to a cardiac surgeon, who showed me an operating list on the wall, with names and addresses of my constituents on it, and told me, "20 per cent. of those people will die before they're operated on, because there's not enough investment in the NHS." That does not happen anymore. We will of course continue to improve the NHS, but one thing that could never help it is the election of a Conservative Government.

Bob Spink (Castle Point) (Ind): The Leader of the House will have seen my early-day motions in 2007-08 and 2008-09 that sought to stop MPs abusing their expenses and second jobs. Even now, can we plan to meet in the House on 31 March to debate the matter and press forward on the remaining, much-needed changes to the House? *[Interruption.]* As the Conservative party is shouting out at me, can we also include party political funding and Belize in that debate?

Ms Harman: I gave a statement on that issue on Monday, and there has been much debate in this House about Lord Ashcroft and the apparent failure to abide by the reassurances that he gave in order to get into the House of Lords. However, I am afraid that this is not a matter for me; it is a matter of unanswered questions by the leadership of the Conservative party.

Points of Order

12.22 pm

Sir George Young (North-West Hampshire) (Con): On a point of order, Mr. Speaker. During the exchanges in business questions, the Leader of the House, no doubt inadvertently, misled the House. She asserted in respect of two private Members' Bills—the Debt Relief (Developing Countries) Bill and the Sustainable Communities Act 2007 (Amendment) Bill—that they had been blocked not by a Back Bencher, but by the official Opposition. Will she take it from me that the official Opposition support those two Bills and are not blocking them at all?

Mr. David Heath (Somerton and Frome) (LD): Further to that point of order, Mr. Speaker. I am extremely pleased to hear what the right hon. Gentleman has just said, although that does not entirely excuse the activities of some Conservative Back Benchers. However, is it not the case that the matter is entirely academic anyway, because those Bills are private Members' Bills for which no more time has been allocated by the Leader of the House? Unless Government time is allocated, those Bills cannot make progress in any case, whatever the official Opposition's position. Is that not the case, Sir?

Mr. Speaker: I am grateful to the hon. Gentleman for his observations. He has put his views firmly on the record, although I am not sure that this is point-of-order territory or that I need to respond. However, before I give the opportunity to the Leader of the House—if she wants to take it—to come to the Dispatch Box, let us hear a point of order from Ms Sally Keeble.

Ms Sally Keeble (Northampton, North) (Lab): Further to that point of order, Mr. Speaker. There is a mistake on the Order Paper, because although it says that there is an amendment, I understand that it was withdrawn this morning, so unless anybody raises any further objections or tables a further amendment to the legislation, I understand that the Bill can go forward to the wash-up. However, that will require a bit of good will on both sides and a self-denying ordinance by Members; and, with your long track record on the issue in question, I am sure that you will be keen to see that happen.

Mr. Speaker: I am grateful to the hon. Lady for her point of order, to which I shall respond straight away, before returning to that of the shadow Leader of the House. What I would say to the hon. Lady is twofold. First, so far as the Order Paper is concerned, if something was withdrawn this morning, it is not a mistake that it is on the Order Paper, because obviously it will have been put on last night, or some other time yesterday, and then printed. The point is simply that a decision has since been made to withdraw it. As for her second point, I note the force with which she has made her concern known, but as she will know, the question of whether a Bill survives in the wash-up is a matter for others, not the Chair.

As for the shadow Leader of the House's point of order, the safest thing that I can say is that it is not entirely clear to me that this is a matter of order for the Chair. A statement was made—*[Interruption.]* I am grateful to the hon. Member for North-East Bedfordshire (Alistair Burt): I know how earnest he is on these matters, and I will do my best to satisfy his appetite, if I can. Let me say to the shadow Leader of the House that it is not clear to me that he has raised a matter of order. A reference was made to blocking, but it seems to me that we are largely in the territory of debate, and I am happy to offer the Leader of the House an opportunity to respond.

The Leader of the House of Commons (Ms Harriet Harman): You referred to the hon. Member for North-East Bedfordshire (Alistair Burt) being earnest, Mr. Speaker, but was he actually here when those exchanges were made? *[Interruption.]* No, he was not here, and he does not know what those exchanges were, so he can be earnest, but he is not relevant. As for what the shadow Leader of the House said, let me make my position clear. It is to no avail for the official Opposition to say from the Front Bench that they support the Bill if their Back Benchers block it. Basically, it is Members from the official Opposition who have been blocking the Bill—that is self-evident—so what I am saying is that the right hon. Gentleman should get his party's act together, and then we can get that important Bill through.

Mr. Speaker: First, let me say to the Leader of the House that we could have a most interesting debate on the importance of being earnest, but I am not sure that it would greatly avail the House for us to do so. Secondly, let me say in a very friendly spirit to the hon. Member for North-East Bedfordshire that I certainly cast no aspersions on what he said. Indeed, I would say to the Leader of the House that the idea that knowledge of something is a prerequisite for subsequently contributing to debate would be a new precedent for the House to set.

Mr. Tobias Ellwood (Bournemouth, East) (Con): On a point of order, Mr. Speaker. On the BBC website there is a piece about an announcement that coastal towns are to share £5 million of Government funding, something that was also a topic on the "Today" programme this morning, which you might have heard, Mr. Speaker. I have hunted high and low for more evidence of that announcement, but I have found nothing on the Department for Culture, Media and Sport website. Indeed, I have even approached a Treasury Minister, who knew nothing about it whatever. May I seek your guidance on this matter? Should we not find out about such information here in the House? Should there not be at least a written statement, or are we talking about another of those fictitious figures that come up at Budget time?

Mr. Speaker: The hon. Gentleman might be gratified sooner than he anticipates, because if there is a written ministerial statement, I have a feeling that we are about to hear about it.

Mr. Ellwood: But it is not on the Order Paper.

Mr. Speaker: Well, I am saddened by that, but the hon. Gentleman's problem might soon be solved.

Ms Harman: A full and detailed written ministerial statement on that announcement was tabled this morning, and I will ensure that the hon. Gentleman gets a copy.

Mr. John Randall (Uxbridge) (Con): On a point of order, Mr. Speaker. I feel rather confused about something, so I hope that you can help me. There was some talk earlier, in the exchanges about private Members' Bills, about the wash-up, but as far as I can see from the Order Paper there are three more Fridays set down for private Members' business. Surely there would be ample opportunity to discuss those Bills, if not on 23 or 30 April, then surely on 7 May.

Mr. Speaker: That is a most interesting point of order, but the hon. Gentleman did not get where he is today by being confused about anything.

ROYAL ASSENT

Mr. Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Acts:

Child Poverty Act 2010

Third Parties (Rights against Insurers) Act 2010

Cluster Munitions (Prohibitions) Act 2010.

Hon. Members: Hear, hear.

Mr. Speaker: How heartening it is for all of us that the House is in such a convivial mood. *[Interruption.]* Well, it is at the moment, anyway.

Ways and Means

Budget Resolutions and Economic Situation

AMENDMENT OF THE LAW

Debate resumed (Order, 24 March).

Question again proposed,

That,—

(1) It is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance.

(2) This Resolution does not extend to the making of any amendment with respect

to value added tax so as to provide

(a) for zero-rating or exempting a supply, acquisition or importation,

(b) for refunding an amount of tax,

(c) for any relief, other than a relief that

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.

12.29 pm

Mr. George Osborne (Tatton) (Con): I welcome this opportunity to begin the second full day of the Budget debate, because it gives us the opportunity to bring to the House's attention all the things that were in the Budget but not actually mentioned in the Chancellor's Budget speech. The debate will give us all a chance to reflect on what the rest of the country thought about the Budget—which is: not a lot. The fact that only three Labour Back Benchers have turned up to support the Government's final Budget suggests that the parliamentary Labour party does not think much of it either—*[Interruption.]*—or, indeed, the Chancellor of the Exchequer. He normally turns up, but there we go. He did not turn up for his "Today" programme interview either, so, after an empty Budget, we got an empty chair. Anyway, it is a pleasure to be debating these matters with the Secretary of State for Work and Pensions, the right hon. Member for Pontefract and Castleford (Yvette Cooper), because one thing is certainly clear: depending on the result of the election, either she will be living in No. 11 Downing street or I will, so it is good for us to have this early debate.

It normally takes 24 hours for people to see through these Labour Budgets, but this one disintegrated within about 24 minutes. Even before the Chancellor sat down, it was clear that he had completely failed to rise to the challenge of the times we face and the expectations of his high office. We know that the country faces a storm of economic problems. One in five young people cannot find work. Our recovery is one of the weakest in the G20, and our banking system cannot finance that recovery at the moment. Family incomes are being squeezed, and we have the largest budget deficit of any country in the developed world. Our credit rating is under threat, confidence is lacking, manufacturing is shrinking, exports are falling and business investment has collapsed. Everything cries out for urgent action, for energy, for vision, for leadership and for new ideas to get our economy moving.

But what did we get yesterday from this exhausted, discredited Government? Absolutely nothing at all. An empty Budget. An exercise in politics, not an example of governing. The only ideas of any substance in this Budget are Conservative ideas. Taking first-time buyers out of stamp duty? Now, I knew I had heard that before, and when I did my research, it turned out that I had announced it at the Conservative party conference three years ago. It was roundly condemned by Labour Ministers at the time—*[Interruption.]* Well, we have the Treasury Minister here, and he told Parliament that the Government did not believe that our proposal on stamp duty

"would be an effective use of public money".—[*Official Report, Finance Public Bill Committee*, 21 May 2009; c. 108.]

Does he hold to that view, or has he changed his mind?

The Economic Secretary to the Treasury (Ian Pearson): I am glad that the hon. Gentleman has followed closely my comments in the Committee on that Finance Bill. He will be aware that I made those comments in the context of the fact that we had a stamp duty exemption set at £175,000, and that his proposal was neither costed nor funded. If he reads the 15-minute speech that I made at the time, rather than giving the House a selective and distorted quote, perhaps he will understand the situation a bit better.

Mr. Osborne: It is absolutely clear that the Minister said that taking first-time buyers out of stamp duty was not an effective use of public money. He talks about costing. This is quite a lesson for us, as the election approaches. The Labour party and the Treasury officials costed our policy at £300 million, and that is the figure that the Chancellor of the Exchequer announced at the beginning of January. They said that our policy would cost £300 million. It was part of the attack on our platform. Yesterday, however, when they put it into the Budget, that same policy cost £230 million. So the Treasury has costed exactly the same policy at £70 million less in the Red Book. That is typical of their complete nonsense.

I will tell the House about something else that was not in the Budget. The first-time buyers' exemption is for only two years. It is a temporary exemption, but the increase in stamp duty to 5 per cent. at the top rate is a permanent increase. That is something else that was not mentioned—*[Interruption.]* The Treasury Ministers themselves do not know what is going on; they are checking up.

Harry Cohen (Leyton and Wanstead) (Lab) *rose*—

Mr. Osborne: I am happy to give way to the hon. Gentleman on the question of stamp duty.

Harry Cohen: The hon. Gentleman claims that the proposal on stamp duty was Conservative policy. Was the increase in stamp duty—the extra 1 per cent. for those properties selling for more than £1 million—also a Conservative policy?

Mr. Osborne: Look, we set out a proposal for a levy on non-domiciles that was also copied immediately after I had given that conference speech. We also set out plans for inheritance tax which were copied by the Chancellor of the Exchequer at the time. As for the increase in stamp duty to 5 per cent., there are going to be lots of Labour tax rises that we will have to deal with if we become the Government. Our priority will be to avoid the tax rises on the many rather than the tax rises on the few. Our No. 1 priority will be to avoid the national insurance rise that the Labour Government have pencilled in for millions of hard-working people across this country.

So that was one idea that the Government took from us. Then, yesterday, the Chancellor said that he was taxing the drinks that caused the binge drinking problems. That also struck a chord with me, because the Conservatives had announced that at our conference last autumn. It seemed, then, to have been adopted by the Government, but, when we look at the small print, we see that they have not exactly copied our idea. They have used it as a cloak for a huge duty rise on all cider drinkers, instead of just on the super-strength white ciders that are linked to problem drinking. That will hit the industry hard and it is something that we oppose.

Then there were the 20,000 new student places. When my right hon. and learned Friend the shadow Secretary of State for Business, Innovation and Skills announced that proposal at the Conservative conference, it was attacked. The Minister responsible for universities said that it was elitist, and it was denounced by the Labour party. Now, of course, we are hearing about it in the Budget. But again, there is a catch. The Chancellor said yesterday that the Government would provide funds to

"create 20,000 more university places...starting in September this year."—[*Official Report*, 24 March 2010; Vol. 508, c. 262.]

We all thought, "Well, that's good of him to have found the money." Then we looked at the detail, and it turns out that only 10,000 full-time undergraduate degree places are being created, not 20,000. When we looked on the website of the Department for Business, Innovation and Skills—this is not in any Treasury document—we found that the funding for those three-year courses is for one year only. So they are going to fund the students' first year, but not their second or third years. The funding for those years has to be found by the universities themselves.

There were lots of other things that we proposed and the Government adopted, such as the green investment bank. We do not mind this pathetic Government, in their dying days, adopting our policies, but let me say this: we will never again listen to their lectures about how we do not have anything to offer the country, when the only things that they have to offer the country are the things that they have taken directly from us. Stealing Conservative policies is not going to hide the fact that the Labour party has nothing of its own to say to the British people any more.

That is the extraordinary thing about this Budget. It is more interesting—if that is the right word—for what it does not say than for what it does, and that is what I want to focus on. What was not in the Budget, but should have been? Let us start with the things that were not in the Budget speech itself. How on earth did the Chancellor think he could get away with freezing the personal tax allowances of 30 million working people, and not mention it at that Dispatch Box yesterday? One would have thought that, having watched all those Budget speeches from his predecessor, the Prime Minister, in which the stealth taxes were not mentioned and the

[Mr. George Osborne]

spending was double-counted, and having seen the damage that that did to the reputation of the Treasury, he would have learned the lesson. Apparently not. Did he really think that no one would turn to page 123 of the Red Book and see what he was doing? When the allowances were frozen last autumn, retail price inflation was negative. That was the excuse that the Chancellor used for freezing the allowances. Today, retail price inflation is 3.7 per cent., yet he is going to freeze the allowances from April. That is, in effect, a tax rise for 30 million working people, and it was not even mentioned in the Budget.

The Secretary of State for Work and Pensions (Yvette Cooper): The hon. Gentleman will know that allowances and benefits have been uprated by autumn inflation figures since the late 1970s. Does he now believe that that decades-old policy of uprating should be ditched?

Mr. Osborne: I did my research. Only once in the 13 years of this Government did the Labour Chancellor uprate in line with inflation; on all other occasions, it was above inflation. The only Budget in which Labour froze allowances before was in 2003. It is perfectly within the Chancellor's power to take account of inflation at the time. As I say, this is effectively a tax rise on 30 million working people, which is one of the reasons why the Budget has gone down so badly.

Yvette Cooper: Let me ask the question again. The normal uprating with respect to the retail prices index is linked to the autumn inflation figures, and it has been for many decades. Does the hon. Gentleman believe that that policy, which is built into legislation and has been in existence for many years, should be ditched?

Mr. Osborne: I am sure the right hon. Lady understands the mechanics here. The law requires writing into the Red Book the uprating in line with inflation, but it is perfectly within the Chancellor's power to go beyond that, as Labour Chancellors have in all but two Budgets delivered since 1997. One would have thought that the Chancellor of the Exchequer would have had the courage to announce what he was doing at the Dispatch Box yesterday so that people did not have to wake up this morning to find out what was really in the Budget.

Mr. Simon Burns (West Chelmsford) (Con): Does my hon. Friend accept that it is not simply working people who will be affected by that policy because many pensioners will see the benefits of their state pension increase completely wiped out by this underhand measure by the Chancellor?

Mr. Osborne: My hon. Friend is absolutely right. Income tax applies to pensioners and pensioner income, and it is also a stealth tax on them. Also barely mentioned in the Budget, of course, are the other £19 billion of tax rises previously announced, often in the pre-Budget report books rather than speeches, that are coming down the track. That was one of the great missing parts of the Budget speech – the extraordinary tax rises pencilled in, but not discussed by the Chancellor.

In addition, there are the tax measures on small businesses. The Chancellor said yesterday that he was going to provide

"extra support to small businesses through the tax system". [*Official Report*, 24 March 2010; Vol. 508, c. 259.]

Who could complain about that? What he did not tell us was that the extra support is more than cancelled out by the other tax rises on small businesses that are in the pipeline. He told us that he was cutting business rates, but the Red Book reveals that he is expecting to raise an additional £1 billion in revenue from business rates next year.

The Chancellor made a great fuss of doubling the small business investment allowance. The Treasury cost it at £100 million, and the Chancellor paraded it as something that he was doing for small businesses. He did not mention the fact that he is increasing the small companies tax rate at a cost to small businesses of £420 million—four times the amount that he is giving with one hand is being taken back with the other. No wonder that the response of the Federation of Small Businesses was that the Budget

"will not help job creation".

If the small businesses of this country do not think that a Budget is going to create jobs at this point in the economic cycle when the recovery is so weak, that tells us everything about how this Budget has failed.

The Chancellor also made great play of his lending agreements. He did not mention the fact that the banks missed their lending targets. He told us at the last Budget that they were binding, but he did not repeat what the Public Accounts Committee told us last month—that despite all the Government promises from the Dispatch Box over the last two years,

"The Treasury has only limited sanctions available to it to encourage RBS and Lloyds Banking Group to meet what are described as legally binding lending commitments."

Worse than that, the Chancellor employed a trick that would make the Prime Minister proud, because he gave the impression that the new lending targets were higher than the previous ones when, in fact, they are lower. The old targets were expressed as a net figure of total extra lending, while the targets for new lending are a gross figure. He compared a net figure with a gross figure, which means that lending to businesses could actually fall, yet the Government would still have met their target. What a totally transparent and cynical manoeuvre by the Chancellor.

Of course, all these things that were never mentioned in the Chancellor's speech pale into insignificance alongside the missing centrepiece of the Budget – a credible plan to deal with the deficit. Yes, the Chancellor confirmed that we have the worst deficit in the G7. Yes, he announced that we have the second-worst deficit in the OECD after Ireland. Did he convince anyone, however, that he was serious about dealing with the Budget deficit problem, serious about protecting our country's credit rating, serious about avoiding the rise in gilts that mean higher interest rates in a recovery, and serious about confronting the truth that this Government have ended up borrowing one pound for every four that they spend, and that having entered office on a pledge to cut the bills of social failure, they now head for the exit door with Britain spending more on debt interest payments than it does on our entire education system? No, he did not.

The Government seem to believe that if they say often enough that they have a credible plan, somehow fiction will become reality. But the definition of a

credible plan is that someone out there believes them and thinks that it is credible. Let us look at what investors said after the Chancellor sat down yesterday. Standard Chartered called it

"a do nothing Budget that had shades of Nero about it".

Citibank said there were

"no proper medium-term public spending plans"

and no

"credible plan to return to fiscal sustainability".

The same rating agency that yesterday downgraded Portugal—whose deficit is half ours, by the way—came out immediately to warn that the plan was "too slow". It is clear that the only thing holding together Britain's reputation in the international community is the prospect of a Conservative Government who can sort this mess out.

Peter Luff (Mid-Worcestershire) (Con): Is my hon. Friend aware that he is making a most powerful case for adopting the advice of our noble Friend Lord Bell, who suggested the revival of the 1979 election slogan: "The captain of the Titanic is offering tickets for a second voyage"?

Mr. Osborne: I also quite like "Labour isn't working", which applied then and applies now.

Like some giant fiscal doughnut, yesterday's Budget had a gaping hole in the middle of it where there should have been a proper comprehensive spending review. In table A1 in the Red Book—a table of Budget measures—there are great blank spaces where a spending review normally sits. The Government simply cannot tell us what they are planning to do in 2011-12, despite all the information and all the resources available to them. Is there anything more risible than the Government's explanations as to why they cannot provide the spending review? They tell us that it would impossible to do it in March because of the uncertain state of the economy, but that we can apparently have it in October—yet this has nothing to do with the fact that there is going to be an election in May. They really are taking the public for complete fools.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): It is not a case of not being able to give the figures; it is a case of not being willing to give them.

Mr. Osborne: My right hon. and learned Friend is absolutely right about that. It is an absolutely cynical manoeuvre.

There is something that Government could do today. The document I have with me was leaked to us. These are the internal Treasury fiscal tables. They tell everyone—all taxpayers—about the departmental spending envelopes for the coming years; they tell what the Treasury expects to spend on debt interest, welfare bills and the like. This is the document that revealed that this Labour Government plan a 9 per cent. cut in Departments. It was leaked to us, as it happens, after the last Budget. This document could be published today in the interests of open information as we approach the election. I will ask the permanent secretary to publish it in the interest of good debate ahead of the election, so that we have at least some basic truths about what the Government's lack of a spending review means for Departments in future.

Of course, yesterday the Government tried to put up a smokescreen around efficiency savings. Three hours after the Budget was delivered—this must be pretty unprecedented in that it happened after the Chancellor sat down—a series of written statements were produced from different Government Departments saying that they were going to deliver efficiencies. I have with me the one from the Department headed by the Secretary of State for Work and Pensions. We find that £550 million of efficiency savings are set out, expressed and explained in three sentences. It is a half-page press release with some notes to editors underneath. Ministers such as the right hon. Lady went on television and said, "I have found my cuts." The most vocal exponent, in fact, was the Children's Secretary, the right hon. Lady's husband, who said, "I have got £500 million-worth of cuts that I have been told to find by the Chancellor. I have found £300 million, and I am working on the other £200 million."

What Ministers do not say is that they have absolutely no idea of their budgets for 2011-12, on which these efficiency savings are supposed to be based. They can produce as many efficiency reports as they like, but—quite apart from the fact that the National Audit Office found that barely a quarter of the savings promised before the last general election can be traced today—that is not a credible way to approach the current problem.

This is what was said by the officials who were contacted by the media last night. When telephoned by a journalist, an official at the Department for Environment, Food and Rural Affairs said:

"All quite deliberately vague. We haven't got any detail on where those savings will be gathered. We haven't got a breakdown of the detail: it doesn't exist."

Another official said:

"We certainly don't have a list as of today. It's a figure that we have agreed with Her Majesty's Treasury, as part of Building Britain's Future or whatever the slogan is that's on our press release."

Another official was asked by a journalist about the £10 million corporate services reform programme. This was his reply:

"Corporate services. Christ! Let me see if I can find out"

what that is. So there we have it: the largest budget deficit in our peacetime history, and they are turning to God to help them to sort it out.

One thing that the Government could do—I shall ask the right hon. Lady to confirm that they can do it—is publish the fiscal tables that we know exist. The Government claim that they want open and transparent debate about spending ahead of the election, so why do they not publish those tables? What are they trying to hide? If they published the tables, we could have a more serious debate about what the Government are actually planning to do. As I have said, that would help to focus people's attention on the central fact about the Budget: that the Government have not produced a credible plan to deal with the deficit.

That is why, in the end, there has to be a change of Government. Our economy faces the most serious risks. For the first time in our country's history, we face a credit downgrade; for the first time in our country's history, we have a budget deficit that is larger than any other in the developed world. The challenge for a

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Government faced with those facts is to produce the plan that will put the economy back on track, and they have failed to do so.

Mr. William Cash (Stone) (Con): My hon. Friend is making an excellent speech. Does he agree that there is another gap in what the Government have been saying? According to figures from the Office for National Statistics, if public sector pensions and other matters related to the financial sector are included, the true amount of debt is as much as £3.1 trillion. Making up for that will involve some very big decisions with which the Government are clearly incapable of dealing.

Mr. Osborne: My hon. Friend is absolutely right. A key part of our proposals is the creation of an office for budget responsibility—an independent office—*[Laughter.]* Ministers may laugh, but that is something that has been recommended by almost every independent observer of the British economy. It is something, by the way, that the shadow Chancellor in 1995—the hon. Member for Dunfermline, East, as he was then—promised to create if he ever became Chancellor. It would hold the Government to account for the promises that they make. It would also ensure that on Budget day we have proper, independent sets of forecasts, so that we can have a proper debate about the true state of the public finances. We would not get what we were given yesterday: the use of a growth forecast that exists only in the Treasury. It is not the same as the one used by the Bank of England, and it is certainly not the same as the one used by the independent forecasters who are currently examining the British economy.

Incidentally, if the Budget had used the independent forecasters' estimate of growth next year rather than the Treasury's estimate, £10 million would have been added to the borrowing requirement. That is why we need an independent set of forecasts and an independent body to hold us—both parties—to the fiscal promises that we make and, as suggested by my hon. Friend the Member for Stone (Mr. Cash), to produce a proper set of national accounts.

Rather than this fiction, we should have a set of accounts telling us what the liabilities are for the banking assets that we hold, what the liabilities are for public sector pensions, what the liabilities are for the private finance initiative deals done by the Government over the past 13 years, and what the liabilities are for Network Rail. We should have a proper set of national accounts on the basis of which this Parliament and this country could discuss the country's future. That does not exist under the current Government, but I can tell the House that it will exist under the next.

This is what is so sad about this Budget. It presented the Government with an opportunity finally to rise to the challenge. After all, what did the Chancellor have to lose? It is obvious that he will not be in office after the election even if Labour wins it. The forces of hell have been unleashed against him—forces of hell not too distant from the family life of the right hon. Lady. It is absolutely clear that if Labour were elected, the Prime Minister would choose a new Chancellor: the right hon. Member for Normanton (Ed Balls). The current Chancellor therefore had a unique opportunity to do what he thought was right for the country rather than what he thought was politically convenient for his party, but he completely failed to meet that challenge.

We need a new Government to fix the broken economy, to deal with the budget deficit that threatens the recovery, to boost enterprise and small businesses, to get Britain working and to build an economy that works for everyone; and the sooner that Government are elected, the better.

12.56 pm

The Secretary of State for Work and Pensions (Yvette Cooper): Was that it? [HON. MEMBERS: "Oh, come on!"] Was that it? In those 26 minutes there was plenty of sneering and plenty of posturing, but I did not hear about a single policy to get the economy growing, or a single serious policy to bring the deficit down once the economy is growing. There were no plans to help the unemployed, and no plans to support business—and this from the man who wants to be Chancellor of the Exchequer in less than two months' time? It would be funny if it were not so terrifying.

Mr. Burns: It is rather disappointing that the right hon. Lady clearly wrote her speech before she heard the excellent one made by my hon. Friend the Member for Tatton (Mr. Osborne).

Yvette Cooper: I will give way to the hon. Gentleman again if he can identify one serious policy presented by the shadow Chancellor during his speech. He did not present any proposals to support—*[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order.

Yvette Cooper: Thank you, Madam Deputy Speaker.

Sir Patrick Cormack (South Staffordshire) (Con): Will the right hon. Lady give way?

Yvette Cooper: I will. Perhaps the hon. Gentleman can enlighten me by citing one of the policies presented by the shadow Chancellor.

Sir Patrick Cormack: What I would say to the right hon. Lady—supported as she is by the hordes of Midian behind her—is that, in less than half an hour, my hon. Friend the Member for Tatton (Mr. Osborne) demolished the vacuous nonsense which would do such pernicious harm to the country and which was presented to us in an hour yesterday.

Yvette Cooper: I am afraid he did not. What he made clear was quite how shallow the approach of the Conservatives really is to the very serious problems that have faced the economy as a result of the global recession. The challenge now is to build the recovery. Our Department is investing a great deal to back young Britain—in helping young people into jobs and finding them work experience—but running the economy is no job for an apprentice. The hon. Member for Tatton (Mr. Osborne) should take that seriously.

Mr. Charles Walker (Broxbourne) (Con) *rose*—

Mr. Cash *rose*—

Yvette Cooper: Perhaps Conservative Back Benchers can provide some of the substance that could not be provided by their Front Bencher.

Mr. Walker: Will the right hon. Lady please tell me which part of the £1.3 trillion debt she is most proud of?

Yvette Cooper: In fact, our debt as a proportion of GDP is still lower than that of many of our European competitors. Moreover, we have presented a serious set of proposals to bring borrowing down once the economy is growing and also, critically, to support the economy and support growth now.

The Conservatives have got it wrong on the recession at every turn—wrong on Northern Rock, wrong on the banks, wrong on help for the economy, wrong on supporting the unemployed. As for their policy of cuts this year, that would send the recovery on to the rocks at just the time when it matters most. Conservative Members simply do not seem to understand the seriousness of the challenges we face, and the importance of helping those people who need our support in order to get into jobs and pursue a prosperous economic future.

We have just come through the toughest world recession for many generations, and without Government action we would have seen millions of people lose their savings when the banks crashed, hundreds of thousands more people lose their jobs and struggle to find work, thousands more businesses go bust and thousands more people lose their homes. Yet despite the world recession being so much deeper than in the '80s and '90s, the level of business failures has been half that of the '90s, unemployment has been half that of the '80s and '90s, and the rate of repossessions has been half the rate it would have been if the '90s experience had been repeated. That is because of the action this Government took, but which the Conservatives opposed. Time and again they wanted to repeat their approach of the '80s and '90s, when the Government turned their back and shrugged their shoulders, and left people to face long-term unemployment, and business failure too.

Mr. Cash: Will the right hon. Lady concede that House of Commons research shows that 19.6 per cent. of young people are now unemployed, and that if we add in the jobseekers and those who are genuinely unemployed but who are not included in the figures the Government give, the number of unemployed is well over 4 million? Does she deny that?

Yvette Cooper: The hon. Gentleman is referring to the International Labour Organisation youth unemployment survey, and, in fact, its figures include significant numbers of full-time students who are also looking for work. We believe that youth unemployment is a serious issue, which is why we have set out proposals to help young people get back into work, but the hon. Gentleman's party refused to fund and support those proposals, so they refused to help any of these young people get back into jobs.

The Conservative party has not changed. Once again it wanted to turn its back, but this Labour Government would not turn our back. We know that unemployment is never a price worth paying, and we will not stop the help now because we know we are not yet out of the woods. It is important to support the recovery, and not to put it at risk. In the '80s and '90s, unemployment rose for years after the recession finished. We are not prepared to let that happen. That is why this Budget is a Budget for growth, for jobs and for recovery, with more help for the unemployed to get back to work, such as by extending the future jobs fund and the youth guarantee. Those measures are helping thousands of young people into jobs, including 170,000 mainly youth jobs through the future jobs fund, which the Conservative party wants to abolish.

I have met some of the many young people across this country who are now beginning their jobs and getting some great career starts: a young man who has started work in theatre lighting in Wakefield; a young woman in Bedford who is working in a sports charity; a young woman in London who is training to be a housing officer; and a young man in York who told me that the work he is doing with Groundwork has inspired him to go into horticulture. *[Interruption.]* Thousands of young people have now started jobs through the future jobs fund. *[Interruption.]* Conservative Members can shout all they like, but their party wants to pull the plug on that funding and abolish the future jobs fund, and thereby tell more than 100,000 young people across the country to give up on their dreams and their chance of getting work. Conservative Members want to turn their backs on them. How dare they deny those young people a start in their career by not backing that funding and the support it gives young people to get back into jobs?

Mrs. Eleanor Laing (Epping Forest) (Con): Will the right hon. Lady give way?

Yvette Cooper: I will give way to the hon. Lady if she can tell me what she is saying to the young people in her constituency who are starting jobs through the future jobs fund, given that she wants to cut their jobs.

Mrs. Laing: I thank the right hon. Lady for giving way, and I will tell her what I say to the people in my constituency. The picture she is painting suggests it is all okay out there, but in the real world in my constituency and across the country thousands of young people, and older people, are without jobs, and thousands of small businesses, to which people have dedicated their lives, have gone under. What I am telling them, and what I tell this House now, is that that is the fault of this Labour Government. The right hon. Lady is speaking as though she had not been in government for 13 years, but people out there in the real world know it is the fault of the Labour Government, and she must stop pretending.

Yvette Cooper: Well, the hon. Lady can muster as much righteous indignation as she likes, but she should tell her constituents that she wants to cut the help for those young people to get into jobs and for those businesses by enabling them to pay their tax over a longer period. That is her party's policy. Faced with the biggest global recession for many generations, with the collapse in global trade, and with banks in every country in the world near collapse, what does the hon. Lady's party want to do? It wants to cut the funding and support for people and businesses in her constituency, and for young people seeking jobs. I hope she is honest enough to tell her constituents how her party would pull the rug out from underneath them just when they

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are trying to get back on their feet, and just when they are trying to build the recovery. The youth claimant count has now fallen for four months running, yet in the 1980s it increased for four years after the recession finished.

Mr. David Gauke (South-West Hertfordshire) (Con): Will the right hon. Lady give way?

Yvette Cooper: I will give way to the hon. Gentleman if he is prepared to say that he will turn his back on his party's policies in the 1980s.

Mr. Gauke: May I just seek some clarity from the right hon. Lady? She has just talked about the Conservatives cutting the help for young people and people trying to get into work. Will she therefore explain figure 10 of the Budget policy decisions on page 120 of the Red Book, which states that "Reprioritised spending from DWP" is a cut of £475 million?

Yvette Cooper: We are increasing the funding for the youth unemployed—*[Interruption.]* No, we are increasing that funding next year; we are increasing the number of jobs that we are providing for them.

Mr. Gauke *rose—*

Yvette Cooper: Let me tell the hon. Gentleman what is happening. As a result of the unemployment figure being about 500,000 lower than we expected this time last year—which is a result of our policies and our investment that his party opposed—fewer people are reaching long-term unemployment and fewer people are needing support from the flexible new deal, and because of that we are able to extend, not cut, the future jobs fund and increase the number of places under it. We are able to do that because we have got more people back to work. The Conservative party has opposed every single penny of this, which shows their complete lack of support for the unemployed. That is why their stance is so disingenuous.

Mr. Gauke: So is the right hon. Lady saying that when the Government cut spending, that is a sign of success, but if we suggest cutting spending, that is terrible?

Yvette Cooper: The hon. Gentleman should understand that we are spending about £2 billion in additional funding for the unemployed as a result of—*[Interruption.]* This year, in 2009-10, we are spending about £2 billion in additional funding. In 2010-11, we will increase that: we will spend more than the £2 billion in additional funding. We were initially allocated up to £3 billion, but we will not need to spend all of that £3 billion in 2010-11 because unemployment is lower, so we will be able to spend more in 2011-12. That still amounts to an increase in investment next year compared with this year, at a time when Conservative Members want to cut the funding. They want to cut it, whereas we want to increase it next year compared with this, and the truth is that they would not have spent any of it anyway. They would not have spent a single penny of it, because they oppose every penny of that extra £5 billion, as it was part of the fiscal stimulus and extra discretionary support for the economy, but it has helped us to save money by getting unemployment down.

Kelvin Hopkins (Luton, North) (Lab): I entirely agree with what my right hon. Friend is saying, and I urge her to ignore the economic illiteracy on the Opposition Benches. Is it not simply the case that savage cuts in public spending now would drive up unemployment and drive us into a depression? Is that really what the Conservatives want?

Yvette Cooper: My hon. Friend is right; that is what is at stake here. This is what is at risk: a serious cut in spending could lead to a double-dip recession and the kind of stagnation that Japan experienced many years ago. My party is determined to avoid such problems.

This is not just about the action to help the unemployed; it is about the support for businesses. It is about helping businesses to extend their time to pay; about cutting business rates for a year for small business; and about our increases in tax breaks for business. Astonishingly, the Conservatives want to abolish those: so much for helping private business to invest and grow. The Conservatives actually want to penalise the businesses that are investing most: so much for helping to rebalance the economy. The Conservatives want to hit manufacturing and yet create another windfall for the banks by cutting the capital allowances for the banks.

What we should be doing is following the proposals that the Government have set out by providing the support for the high-tech infrastructure of the future, including digital, high-speed rail and offshore wind, introducing the stamp duty cuts for first-time buyers funded from the most expensive homes, and keeping up public spending and public investment while the recovery strengthens. The Conservatives say that we cannot afford to do this—the truth is that we cannot afford not to do it. That is because the changes that we have made and the investment that we have already put in to help people back to work has already paid off: unemployment is already about 500,000 lower than was expected this time last year, and that has saved about £15 billion over the next five years. Getting the economy growing and getting unemployment falling saves money, saves livelihoods and saves people's futures.

What did the hon. Member for Tatton want? He wanted the cuts that put at risk the recovery and that risk a double-dip recession. He wants to cut public spending, just as the Conservatives did in the '80s and '90s recessions, both during the recessions and in the early periods of recovery. That is why unemployment kept rising in the '80s and '90s for months and years after the recessions finished. We are talking about cuts that would cost us more for years to come.

Christopher Fraser (South-West Norfolk) (Con): Could the right hon. Lady explain why long-term unemployment is still rising and is at its highest level since 1997? The latest figures show that the employment level has fallen and is at its lowest for 14 years.

Yvette Cooper: We are coming out of the deepest world recession for very many generations, and of course it has hit employment. However, the level of employment is still higher than it was in 1997 and we have seen the

first falls in unemployment much earlier than was the case in previous recessions. I hope that the hon. Gentleman will welcome the 440 future jobs fund jobs in his region, but I am sorry if he wants his party to cut them back and to cut that support for young people.

We must ensure that we bring borrowing down in future, once the economy is growing. That is why this Budget sets out a clear plan to cut the deficit, by more than halving it over four years and cutting the structural deficit by two thirds over the course of the Parliament. No other Government in the world have set out such a detailed plan.

Kelvin Hopkins: I wish to continue my right hon. Friend's theme. I am old enough to remember the 1979 election when the Conservatives came into office. They immediately pushed the VAT rate up from 8 to 15 per cent., raised interest rates, created 3 million unemployed and destroyed a fifth of our manufacturing industry. That is what the people face if they vote for the Conservative party next time.

Yvette Cooper: That is correct. My hon. Friend is right to say that it was not simply about the recession itself, but about the damage that the Conservatives did for many years afterwards in the way they responded to the recession by turning their backs on people at that time.

Mr. David Burrowes (Enfield, Southgate) (Con) *rose—*

Mr. Philip Dunne (Ludlow) (Con) *rose—*

Yvette Cooper: I am not going to give way for a little while, as I need to make some progress in order to let other Members respond.

Our proposals will cut the deficit in three ways: through growth; through tax; and through tighter spending. The Conservatives curiously appear to be opposed to all three of those. First, we know that they are backing less growth and that they want less tax. They are silent on where they will find any spending squeeze, and they still want to cut borrowing further and faster. They talk about credibility, yet if they went into the jobcentre with sums like that we would send them on a basic numeracy course; their figures simply do not stack up. Their approach would put growth at risk by cutting support when the economy needs it most.

Secondly, the Conservatives oppose many of the tax measures that we need. The Government have set out plans for £19 billion in tax increases in order to bring the deficit down. That is a tough thing to do and it is a responsible thing to do to bring the deficit down, but yesterday the Conservative leader attacked every one of those tax increases. The Conservatives have not proposed a single tax measure to bring the deficit down, so perhaps they could tell us now whether they support or oppose the tax action that we are taking and whether or not they are prepared to put forward tax measures, which are difficult, in order to ensure that borrowing is brought back down.

The hon. Member for Tatton talks about a bank tax, but he knows that that is completely undeliverable in a single country and he has not talked about any possible measures that will make a real difference in helping to bring the deficit down. The Conservatives need to tell us whether they support the national insurance increase, whether they support the new top rate of tax and whether they support the cut in tax relief on top pensions. There is silence from the Conservative Members, yet they will not say what they would do instead.

As for the claims made by the hon. Member for Tatton about personal allowances, either he does not understand how upratings work or he has been deliberately misleading and disingenuous—or perhaps he just wants to spend an extra £2 billion out of the blue. On any of those counts, he is not fit to be Chancellor. Personal allowances and benefits have been uprated with the autumn inflation figures since the late '70s. Changes in prices after that are picked up in the following year's ratings. In some years, by the time spring is reached inflation has decreased since the autumn measure, as it did substantially last year. If Conservative Members are saying that allowances should be uprated by more this year, I presume they also think that allowances should have been cut last year—they were not.

Let us consider what has happened over the past two years. Some 22 million basic-rate taxpayers are paying £145 less in real terms, on average, compared with the situation in April 2008. If Conservative Members suddenly want to ditch the decades-old way in which allowances have been calculated, they should tell people how they are prepared to pay the one-off £2 billion cost of changing the system this year. Once again, they say that they want borrowing to be lower, but they also somehow want magic money to pay for tax cuts too. They never face up to the serious consequences of these decisions; all we get is the political posturing, never the serious decision making.

Thirdly, despite the Conservatives' rhetoric, they will not sign up to any spending squeezes. They say that they want to cut further and faster, but they will not tell us any serious measures to bring spending down. They complain that we should set out more detail for 2013, but they will not even say what they will do in 2010. They say that they will make cuts in 2010, yet the next financial year is just 11 days away.

The hon. Member for Tatton says that he does not have enough information to set out his proposals for 2010-11, but we set out our spending plans for 2010-11 in 2007. How long does he need? How much information does he need in order to be able to tell us where he wants to find cuts in next year's money? Next year's money is part of the existing comprehensive spending review. We set out those plans many years ago, yet his party still cannot work out what it wants to do with next year's money—with just 11 days to go, the Conservatives still cannot work it out. They cannot work it out because they are not prepared to be serious and because they are probably hiding something. To be fair to the hon. Member for Tatton, I think he is probably quite good at cutting numbers—after all, under his election campaign leadership he has certainly cut his party's lead dramatically—but he will not tell us what he wants to cut in public spending, because he will not face up to the real decisions that Chancellors need to make in practice.

What have the Conservatives said they will do? They have said that they will increase the state pension age for the over-50s—that would not save them any money for years, but it would force people in their 50s to rip up their retirement plans and it would cost men in their 50s

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about £8,000. The Conservatives have said that they will cut the child tax credit and the child trust fund from families on more than £30,000 or more than £15,000 a year. That came just a few weeks after their leader promised

"the most family-friendly manifesto that any party has produced in British political history."

This is family friendly? We always knew that the Conservatives had a narrow view of "family", but this shows that they have a pretty sinister view of friendly too. I say to the Conservatives and the Liberal Democrats that they should rethink this. The Labour party set out yesterday—*[Interruption.]*

Madam Deputy Speaker: Order. Please continue, Minister.

Yvette Cooper: This party is increasing child tax credit—in this Budget for one and two-year-olds—because we think that parents need more help and more choice when their children are young. We want to increase help for pensioners and families who need it in this Budget, even at a difficult time. We want to increase the child tax credit, but the Conservatives want to cut it and to bring back the married man's allowance instead. We want to help all parents of toddlers. We want to help the married mum, but we also want to help the widowed mum, the single mum, the divorced mum, the dads and the grandparents if they are looking after the children too. We want to help mums who go out to work part time or full time, not just those who stay at home, because we know that families come in all shapes and sizes, and that a toddler can run one ragged whatever form their family takes. That is why we will support all families and will not discriminate against the families that the Conservative party simply does not like.

We want to give more help to those on the lowest incomes, whereas the Conservatives want to give the most help to the married men on the highest pay. We support the child trust fund, because we think that kids should have the chance of some family savings and assets being put by on their behalf, and we want to help families to do that. The only thing that the Conservative party wants to offer to families who want to build up assets for their kids is a cut in inheritance tax on millionaires' estates. I should point out to the shadow Chancellor that, contrary to his own experience, there are not many families in Britain who are due to inherit a millionaire's estate.

The country faces a big choice—a serious plan for growth and deficit reduction from the Chancellor who has steered Britain through the banking crisis and the worst global recession for generations, or a set of political gimmicks from the student politicians who would put our country's future at risk. The Labour party will not put our country's future at risk, and I commend the Budget to the House.

1.21 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I apologise to you, Madam Deputy Speaker, and to the hon. Member for Tatton (Mr. Osborne) for missing the first part of what he said. I had to attend an engagement that had been arranged many months ago. However, I have had what he said reported to me, and I heard his position on the radio this morning—I do not think that it has changed from this morning to now.

Yesterday was an opportunity for a new spring awakening of awareness in the Government regarding the crisis that the country faces. I do not think there is a single person in Britain who does not realise the severity of the economic crisis that we are now in.

Christopher Fraser: Will the hon. Gentleman give way?

Simon Hughes: Not yet.

It is clear that the British public want a fairer tax system, but yesterday's Budget did not deliver it. They also wanted a clear plan to reduce the phenomenal deficit that we now have, and I do not think that they bought the suggestion that the growth figures are about to be between 3 and 3.5 per cent. as was suggested by the Chancellor yesterday. They believe that they are far less than that. The Budget was the last opportunity of the current Chancellor, and possibly the Government, to address the severe condition that Britain is in, and the British public were looking for honesty and, above all, reality in how the Government would deal with the biggest problem that confronts us. That is why most people came away from yesterday feeling that the big questions had not been answered by the Government.

One big question is this: how are we going to find the money to pay the debts that Britain has built up under 13 years of Labour rule? The economy is in a deep and profound crisis, but nobody has been surprised by that. There has also been the deep social crisis of an unequal society that was made unequal under the last Tory Government and that was sustained as unequal under Labour Governments. The tax system that could have become fairer under Labour still places a hugely unfair burden on some of the people who work the hardest in constituencies such as mine—traditional working constituencies in inner London—and constituencies up and down the land. After 13 years, the Labour Government have left this country more unfair and more in debt than it has ever been, and neither of those major challenges has been addressed.

Christopher Fraser: Does the hon. Gentleman agree that it is a sad indictment of the Liberal Democrats' policy on the economy that absolutely no Back Bencher from his party—or any other Front Bencher, come to think of it—has chosen to join him in the debate?

Simon Hughes: The hon. Gentleman will hear, as he heard yesterday from our leader, my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg), and from my hon. Friend the Member for Twickenham (Dr. Cable) and others about our consistent policies, which have been enunciated for weeks and months. We have made clear our position on tax, the deficit and public expenditure.

The hon. Gentleman knows, as I do, that on each day of the Budget debate, the case will be put for each party. The difference between our party and his is that we can answer some of the questions about where money should come from and where savings will be made. Having listened to the hon. Member for Tatton this morning and this afternoon—*[Interruption.]* I told hon. Members

that I listened to the hon. Member for Tatton this morning and that I listened to a significant part of what he said this afternoon and had the rest reported to me, so I know that the Conservatives still have no answers to the big questions. All he said was, "You'll have to wait and see". A party that aspires to government, because it is currently the major Opposition party, can do no better, a matter of weeks before the general election, than say, "You'll have to wait and see where we'll find the expenditure cuts that this country needs." That is neither an honest nor a straightforward way of addressing the electorate. If it cannot do that in the Budget debate, a matter of weeks before the general election, the British public will realise that the Tories either have something to hide or that they do not have the policies they need to deal with the current economic crisis.

This morning, the hon. Member for Tatton said that this country needed a party with the "energy", "leadership" and "ideas" to deal with our economic crisis. Those ideas were not heard from him this morning, but they have been heard consistently from my right hon. and hon. Friends. We are consistent in our view that fair taxation and a realistic policy to deal significantly and immediately with the deficit are the beginning of the sort of economic policy that we need.

Kelvin Hopkins: The hon. Gentleman has said that his party anticipated the crisis, but if I remember correctly, his party was as wedded to neo-liberalism, globalisation, a free world market and deregulated banking as the other parties were, although I must add that I was not. He talks about taxation. His party had a proposal to increase taxes on the rich, but then withdrew it. I found that very disappointing.

Simon Hughes: I shall deal with taxation in a second. It certainly is not true to say that we have not consistently said that we need continuing public investment that is both responsible and targeted, and that gives us the sort of green, sustainable, long-term growth that this country needs now and has needed for the past 13 years.

On the need for a fair tax policy, the Liberal Democrats continue to argue what we have consistently argued. What the Chancellor should have done yesterday for all those at the bottom end of the income scale—all those with an income of below £10,000 a year—is to relieve them of income tax altogether. We have also argued that that should be financed out of the incomes of the very well-off. Yes, that is a redistributive policy; yes, it is about giving money to the poor and paying for it out of the pockets of the rich. We heard yesterday that the Chancellor had adopted a bit of the mansion tax policy, having heard that idea from us, and a bit of a stamp duty policy from somewhere else. We have argued that people with homes that are worth more than £2 million should make an additional contribution. That is not a secret. We have argued for that and we believe in it. We also believe that those who have the broadest backs and the largest finances should make a contribution. Interestingly, I think that the public want us to concentrate on giving jobs to the builders and people in the construction industry who can get Britain back to work and not give the sort of advantages that the Tory party gave for years to the bankers and people who invest overseas and offshore, rather than investing in Britain and putting their money where the jobs ought to be.

Mr. John Randall (Uxbridge) (Con): Does the hon. Gentleman agree with his leader's statement that the country needs savage cuts?

Simon Hughes: Both our leader and my hon. Friend the Member for Twickenham, whom the public respect hugely for telling the truth in recent months, are clear that there need to be some savage cuts. I shall set out now what sort of things can be cut, and I shall do so in much more significant, clear and precise terms than did either yesterday's press releases from the Treasury or today's comments from the hon. Member for Tatton, who did not indicate in which areas there would be the specific reductions that the public know have to happen.

We are very clear that there are large-spend items that ought to go, such as the like-for-like replacement of the Trident missile system, the identity card programme with all its costly infrastructure and the child trust fund, which we think was an extravagant, gratuitous and unnecessary way of giving money at a time that it is not needed to people who do not need it. We are clear that we need to have smaller government, a smaller Parliament with fewer MPs and a smaller number of Government Departments—several could be amalgamated. We are clear that there should be reductions in the increase in the salaries of those in the public sector at the top end of the income scale by limiting everybody across the income scale to the same increase.

We have identified about £15 billion of cuts, significantly more than were identified yesterday by the Chancellor and significantly more than have been identified so far by either the Conservative shadow Chancellor or anybody else on his Front Bench. We are not hiding that. We are also clear that immediately after the general election there will have to be a further Budget and that it will have to be an emergency Budget that deals with the crisis properly, unlike yesterday's which did not, and that there will have to be a way of trying to bring the country together to own collectively the serious changes in the way in which we spend our money that need to be addressed.

That is why my right hon. and hon. Friends have argued for a council for financial stability involving all the major parties, the Financial Services Authority and the Bank of England. That will ensure that we have that debate out in the open. The difference between our policy and that of the hon. Member for Tatton is that we are open about what we believe will have to go immediately, about what we believe that the process should be immediately after the election and about the fact that we will get public consensus for the very difficult economic decisions that have to be taken only if the public is consulted and engaged with. It should not be done in secret, behind closed doors, leading to proposals only being produced before the electorate after the election should his party to be elected to form the next Government.

Mr. Gauke: Will the hon. Gentleman clarify one particular point? He has listed a number of cuts proposed by his party, which I think they calculate as constituting £15 billion. Does he consider the cuts that he has listed to be savage cuts, or is it the additional cuts on top of that that he considers will be savage, to use his word?

Simon Hughes: We can all use different adjectives, but £15 billion is a significant cut in the current spend. If we decide, for example, not to have the Eurofighter programme

[Simon Hughes]

or the like-to-like replacement of Trident, they will be significant and, in the two sectors to which they relate, savage cuts. However, we are clear that we will not cut things that will adversely affect the poor. We are not going to cut the sorts of investment that we need to get the economy going again. We have measured and balanced both the necessary cuts and the investment that we believe can be made, too. The manifesto that the public will see in the next few weeks will set out not only the expenditure savings that we expect to make—£15 billion first, with other expenditure cuts to be discussed later—but what we intend to spend more on, which is how we believe that we can get the productivity and the real sustainable growth that this country needs.

Let me finish on the question of the deficit and the immediate response, because out there in the real world people know that that has to be faced up to. We will have a £400 pay rise cap for all public sector workers and a banking levy—a new tax, to deal with the Secretary of State's question about what new taxes we will introduce. We are clear that there needs to be a banking levy so that banks can pay for the financial support they have been receiving. We will scale back the homebuy schemes, reform—and therefore cut back on—the spend on prisons and cut back on the burdensome regulation of local authorities. We have a list of savings that is in the public domain—it is not secret and we have not tried to hide it at all.

We then have to ensure that we have a fair tax system so that people are incentivised to work and employers are incentivised to take people on. There were some areas of policy that the Government addressed yesterday that half addressed the question but did not adequately address it. For example, small businesses—referred to by the hon. Member for Epping Forest (Mrs. Laing), who is no longer in her place—that have been having a hard time want changes in the business rates system. They want automatic rate relief rather than having to make claims. However, our view is that we need a different sort of business rates system based on the development value of the land and that gives local authorities the flexibility to give a less draconian rates bill to a small business than they give to a big business. We need to encourage the self-employed and the small businesses that employ most of the workers in the United Kingdom to blossom and flourish. That would make a difference and be a more sensible approach.

We are also clear that we need policies that reduce the burden on individuals in their homes. That is why we have said that if we take people earning under £10,000 out of income tax altogether, that does not just help people who are of working age—it helps the pensioner who has a small income from their private pension, too. We calculate that just over 3.5 million people would benefit and that people would get an average £700 back in their pay packet or bank account every year. That is significant. Those are the sorts of changes that we should have heard but, as the Secretary of State knows, freezing personal allowances will mean that some of the poorest people will be in a more difficult economic position in the days ahead, when they need to be in a better position.

The Government adopted one other policy from us as well as the mansion tax half-policy, and that was the green infrastructure bank. We welcome that. We believe that if we are to have the sustainable growth that Britain needs, we need new systems for raising the money and for spending that money, and a green infrastructure bank is a good thing.

We believe that there ought to be much more support for regional banking as well as a decision to separate the banks into local banks, which lend to individuals and businesses, and the banks that want to play the international casinos, which should not be able to be supported by the public at all. We believe that there ought to be local stock exchanges in the regions of England, providing the ability to invest locally. In the Secretary of State's part of the country and elsewhere, there is a great desire to be economically prosperous as well as great ingenuity and great skill, ability and enterprise. We want Yorkshire and the Humber, the east and west midlands and the south-west, for example, to be able to invest in themselves so that they can prosper.

Of course, some things are national schemes, such as high-speed rail schemes. That will need national investment, and we support it. We support changing the tax regime so that we tax aeroplanes according to the flights they make, not the passengers they carry. That would mean that there would be an incentive for people to move from planes to trains, which is a good thing. It is good for the environment, good for the economy and good for the Exchequer, too.

We also believe that the Government need to invest in a whole new form of green growth as regards the energy sector. There is fantastic potential. One needs simply to go to the east coast of Scotland and talk to people in the oil and gas industries about the remaining work they can do in the North sea, or to talk to the people in the ports down the east coast—in Newcastle and Hull, in the Thames estuary or up on the east coast of Scotland—about the potential to build offshore wind turbines in the ports and to export them offshore to be the new wind farms of the future. We have fantastic potential in this country, but there need to be incentives for those things rather than disincentives.

The Government could and should have signalled immediate action for growth in the economy in the year ahead as well as a long-term strategy. We believe that immediately after the general election, there could be investment in tens of thousands of green jobs by bringing the 250,000 homes that are empty back into use—that would probably produce 50,000 jobs. I saw a glass and glazing van going past me this morning. Huge additional numbers of people would be willing to work in the building industries, renovating and repairing. There could have been an incentive for that had the value added tax rules been changed so that there would be less VAT on repair and renovation. It would be an incentive to people to restore their homes.

We believe that there could be an immediate scheme allowing people to have what we call an eco-cash back, so that they could put in some double glazing, replace their boiler or replace their inefficient, environmentally unfriendly fridge with a more environmentally friendly one. There could be schemes to get people to work in the first year of a new Government after the general election, such as one that ensured that all our schools were well insulated, saving energy on the one hand and creating jobs on the other. There is a whole programme of investment activities, which we have costed and believe could start now, that would put people in this

country back to work. That could be part of our scheme—and Ministers have heard us enunciate it from these Benches—aimed at ensuring that every home in Britain that can manage it will become a warm home in the 10 years between 2012 and 2022.

Establishing a fair and sustainable economy means delivering growth that lasts. It means delivering the necessary infrastructure now, and investing responsibly in the years after the election. It also means that there must be development in the future.

We agree that it would be foolish not to continue to invest. The hon. Member for Luton, North (Kelvin Hopkins) hinted that it would be wrong to turn the tanker around suddenly, and that reducing, slashing and burning would be quite the wrong thing to do. We share that view, but there is a difference between my party and the others. We also believe that, while the green shoots may or may not be showing now, people need investment in the jobs that will produce more jobs. That is why the housing and construction industries, which will carry out the work involved in repairing homes and insulating factories, hospitals and schools, have such potential. People in our constituencies around the country say that they are ready to take on that work. With the right adjustments on the fiscal tiller, they can be incentivised to do so.

Kelvin Hopkins: I entirely applaud what the hon. Gentleman has been saying in the last few minutes. He seems to be suggesting that we should have more targeted public expenditure, particularly in the construction industry. I entirely agree with that.

Simon Hughes: That is what my hon. Friends and I have argued for months and for years. We have said for a long time that the present economy has been unsustainable. We have overstretched ourselves and been irresponsible as a nation. We have been irresponsible economically, by spending more than we could afford. People, and bankers in particular, have been gambling with the nation's finances. We have also been irresponsible environmentally, using the resources of tomorrow rather than investing the resources of today.

To pull ourselves back, we need targeted investment that is set out clearly, managed appropriately and held to account democratically. Often, that investment should be led locally, with local government involved in delivering the Warm Homes scheme. The regions of England and the devolved Administrations must be encouraged to develop renewable energy, and the like. We support that, and the manifesto that the House and the public will see in the next few weeks will set out that targeted investment. Our plans for taxation will be at the centre of our proposals, flanked on either side by plans for reducing the deficit and plans for targeted investment.

Unlike the Conservatives, we are clear about tax changes. We would make tax simpler, and give help to the many and not the few. Unlike them, we are clear now that we would make spending cuts, to give help to the many and not the few. We would reduce pay increases for the well-off to help the pay of the less well-off.

The people of Britain are waiting for the election, and desperately want it to happen soon. I think that they realise that the main party options across the whole of the UK give them three choices. They can have more of the same if the Labour Government are re-elected, even though the past 13 years have been only a wasted opportunity that has given us our worst ever deficit. They have a promise from the Conservatives of a completely different economic approach, although nothing has been revealed yet. From the Liberal Democrats, they have a realistic, pragmatic and costed programme that would deal with the deficit. It would do so with the consent of the public, yet continue to sustain investment where it is needed.

We need productivity and growth in this country, but that growth must be sustainable and long term. We need that for the builders, not the bankers. It must be onshore, not offshore, and in the interests of the many and not the few. My colleagues and I will be putting that case to the British public in the weeks ahead.

1.44 pm

Mr. Kevin Barron (Rother Valley) (Lab): The speech that we just heard from the hon. Member for North Southwark and Bermondsey (Simon Hughes) was quite brilliant, and I agreed with much of what he said. However, a lot of what he proposes in respect of public building has been done under this Government. For example, there has been a great deal of investment in council houses; those in my constituency are being fitted with double glazing to make them fit for the future.

The hon. Gentleman did not explain what the leader of his party was talking about months ago when he said that savage cuts were needed in the economy. I do not think that he has changed his line, although I did not listen to everything that he had to say yesterday. I know that he is in opposition, and so has to say what his party would do in office, but the Government made clear yesterday their plans for the future. I hope that they will be able to carry them out after the election. Those plans represent a sensible approach to the problems that the recession has created.

The recession has been international, but it has hit our economy. The Government's sensible approach is far better than the response mounted by the Conservative Governments of the day to the two recessions that we have experienced since I became a Member of this House in 1983. Those Governments did anything but try to ease the problems that existed in those periods: they did not seek to provide employment or look after the needs of the unemployed or anyone else.

I listened to what the Leader of the Opposition said yesterday in response to the Budget. I know that that is a most difficult thing to do, but he said absolutely nothing about what a Conservative Government would do in response to the recession from which I hope we are emerging now. We must not dip back into recession, but the right hon. Gentleman said nothing whatsoever in that regard.

I listened to the shadow Chancellor, both on Radio 4 this morning and at the start of the debate this afternoon, and he said nothing either. My right hon. Friend the Secretary of State for Work and Pensions asked him what the Opposition mean when they talk about making cuts in 2010-11. All she got was absolute silence.

At the moment, the budgets are in place for our public sector. There are plans for more new schools in my constituency, on top of the ones that we have just

[Mr. Kevin Barron]

had. There are three in the village that I live in, but the major Opposition have said nothing at all in that regard. If they were to be sitting on this side of the Chamber in a few weeks, what would happen to the 2011 Budget? What would happen to the money for the Building Schools for the Future programme? That has not been mentioned yet in this debate.

Would I get the new schools in my village? The primary school that I went to in the 1950s has been completely rebuilt. It was near to my home, which has been taken down, but we have a new primary school now and it has had the best report from Ofsted that it has ever had. It is a school that, in its building, environment and so on, is fit for education in the 21st century. It replaced one that was built in 1914 to educate people in what was then a mining community.

The three schools that I am talking about are in the same village. The former comprehensive school—or community school, as it is called—is an academy school now and is going to be completely rebuilt. At the moment, it uses the old secondary modern school building that I went to in the 1950s, and the grammar school that was just next door. I think that both were built in the 1920s, and the buildings are not fit for education in the 21st century. I am not talking about the education provided by the schools, as all of them have improved in that regard. I believe that the buildings themselves are not fit for people to work in, never mind for people to sit in and get educated.

The Opposition are silent about what they would do, saying only that they would bring in cuts in 2010-11. Public sector infrastructure replacement has changed my constituency and helped to change the education of young people there far beyond what I imagined could happen under any Government. The Opposition have made it clear that they would do things differently and look at public sector cuts in the next financial year, but I believe that that leaves them open to the charge that the changes seen in my area—and the same things can be seen in most of my communities—would be in danger.

I listened to my right hon. Friend the Secretary of State for Work and Pensions, and I listened to the Chancellor as well. I wholly support what they are doing on behalf of my constituents and the communities that I represent. They have been hammered by, and blamed for, recessions in the past. They have been made to pay for them far more severely than has been the case in the past two years.

Simon Hughes *rose*—

Harry Cohen *rose*—

Mr. Barron: I give way first to the hon. Member for North Southwark and Bermondsey, and then to my hon. Friend the Member for Leyton and Wanstead (Harry Cohen).

Simon Hughes: The right hon. Gentleman and I came to the House in the same year. I will not deny that there has been fantastic investment in schools, in the health service, and in the decent homes programme to improve public sector housing, but does he not agree that everybody has a duty to tell the electorate exactly where the cuts will be? That includes his party, the Conservative party—as he rightly says, it has been silent—and our party. That way, people will know which budgets will go down. They should also be told what expenditure will be, so that they know which budgets will go up. We need to give both sets of information to the electorate. His party has not yet done that fully; the Tory party has hardly started to do it at all.

Mr. Barron: I agree on the latter point. As my right hon. Friend the Secretary of State mentioned—everybody knows this—there will be cuts in expenditure other than that on front-line services, which I want my Government to defend.

This afternoon, I want to go back a little bit further and say what the Government have done over the past decade in my constituency. There have not just been new schools. I want to talk about manufacturing. The Opposition Front Benchers, both yesterday and today, just discounted what the Government have done in the real world and the real economy in the past 10 years.

Harry Cohen: I am sorry to draw my right hon. Friend into a bit of a parochial matter relating to my constituency, but he makes an excellent point about Building Schools for the Future. My right hon. Friend the Secretary of State for Children, Schools and Families offered Redbridge council Building Schools for the Future money a year up front, in this financial year. However, the council said that it was not in a position to do the work, and that it would do it next financial year. Is there not a great risk that, if the Conservatives come in and look to make cuts, the people of Redbridge might not get their Building Schools for the Future money in the next financial year?

Mr. Barron: That is precisely the case that I am making. I have grandchildren at the academy that I talked about. Just a quarter of a mile away, I have grandchildren in the infant school, which was built in the '30s. The infant and junior schools are coming down completely. They will merge and will have new school premises. There will be a new school for the academy, too. It is quite a large community or comprehensive school, in terms of numbers. There will be a new school for those with special needs on the same site, too. That is potentially under threat. The Opposition Front Benchers, who tell us every day that they will form the next Government, say nothing at all about those issues, which are on everybody's doorstep. If the issue affects my hon. Friend's constituency and mine, it must affect many of the constituencies of Opposition Members. We are not the only ones who should be asking what the Opposition would do in government; Opposition Members ought to do so, too.

I listened to the Budget speech yesterday, and to the Leader of the Opposition's vacuous statement that followed it. That statement derided what the Government have been doing in the real world. I mentioned manufacturing, but perhaps I could give one more example before I go on to what I want to talk about. I should like to talk about the prime thing that the Government have done. I assume that it would not happen in future, if there was a change of government, but the Opposition cannot put

the clock back on what we have done. I want to talk about coalfield regeneration.

My right hon. Friend the Secretary of State's constituency would have been quite similar to mine, 15 or 20 years ago. In my constituency, under the Conservative Government, we lost coal mining jobs—and related service jobs, too. It was often said that there were two or three such jobs lost for every coal mining job lost. I lost 4,000 coal mining jobs in a very short period. My local unemployment levels were twice the national average, even when the coal mines were open. They are nowhere near twice the national average now. There is now a much fairer share of employment and unemployment, in this country and this economy, than there was traditionally.

Let me give a good example of what was done by a Government who did not care, and who drove the pit closure programme, even though we burn as much coal as we ever did. It just comes from abroad now, and not from our coal mines, although I have one coal mine left in my constituency. Dinnington colliery closed in 1991. The bulldozers went in and took it down, but nothing happened on that site until a Labour Government were elected. It took them a few years, too; they were working elsewhere. A Labour Government took £14 million on to that site. They cleaned it up and put some roads in it. They invited the private sector—they did not wheel in the public sector—to build things on that site and to create some jobs there.

Today, the Dinnington colliery site boasts Formula 1 racing. This year, Manor Motorsport, as it was, joined up with Virgin Racing. That colliery site was brought to life by this Government. On the same site, Johnston Press built a £62 million digital printing press. It prints daily and weekly newspapers, magazines and everything else. If it had been left up to the Conservative Government, nothing would have happened on that site. There were no plans to do anything. There are now hundreds of jobs on that site, some very high-tech. It has a diverse economy, which is great. When a coal mine is closed, it hits the economy and the people very hard.

All that work was done and encouraged by organisations funded by the Government, such as Yorkshire Forward, the regional development agency. We are told that the Opposition will remove RDAs; they do not think that RDAs have a role to play in our economy. They ought to look at what has happened in the real world, beyond these green Benches, in communities such as mine, which were effectively left for dead generations ago.

I want to pick up on what the Chancellor of the Exchequer said yesterday about us as a manufacturing nation. Everybody keeps knocking this country down as a manufacturing nation. It is not manufacturing as it used to—that is true. Manufacturing activity is lower now than it ever was, but this country is still the sixth biggest manufacturing country in the world. It has some great strengths in manufacturing. I know from my work in Parliament that pharmaceutical manufacturing has great strength, and it earns a lot of money for us.

Let me tell hon. Members what has been happening on one of the old colliery sites in my constituency in the past 12 years. There is the advanced manufacturing park on the Waverley site. It is based where the old Orgreave coke and chemical works are, and where, before that, the Orgreave colliery site was. Obviously, the colliery was closed after the miners' strike. It had a symbolic role in that strike; many thousands of people were on strike there for 12 months, as people will be aware. It eventually closed, and as a consequence, it became an open-cast mine.

At the initiative of the Government, through the regional development agency and the coal owners, now UK Coal, it has been changed dramatically into something that really shows the way forward. It was, as I say, a joint venture between public and private sector organisations, and its aim is to create an internationally recognised centre for engineering, innovation, research and manufacturing excellence. The advanced manufacturing park's goal is to capitalise on the advanced engineering and manufacturing expertise that has amassed in south Yorkshire, and further to strengthen that capability so that the area's companies can remain globally competitive in the 21st century. When I hear Members on the Opposition Benches deriding this Government and saying that they have done nothing, it makes me really angry. They should come and look at constituencies such as mine, which were left in a mess by the Conservative Government.

The advanced manufacturing park is a hub, and it has some of the world's leading materials and structures research and development organisations. It enables manufacturers of all sizes from all sectors to take advantage of advanced technologies and new market opportunities so that they are better able to create local jobs and export the best of the region's manufacturing, design, technology skills and innovation throughout the world. It boasts a highly skilled and knowledgeable work force of more than 300, including more than 100 graduate engineers and PhDs, from countries such as the USA, China, Germany, Israel and Mexico.

The wide range of high-quality property available at the park includes small offices, workshop and lab space, through medium-sized, hybrid and light industrial units, to larger custom-built design and build options. That provides growing companies at every stage of their development with the opportunity to locate their operations at the UK's recognised centre of excellence for advanced manufacturing, and to benefit from their proximity to industry innovators and international brands. It regularly demonstrates exactly how Yorkshire's advanced manufacturers have a world-class reputation for innovation and excellence.

The site was visited recently by an organisation that supports UK and German companies that want to trade and invest overseas, and my right hon. Friend the Secretary of State will be more familiar with it than me. The Government's UK Trade and Investment organisation helps UK companies to win export business globally and overseas businesses seeking to invest in the UK. It markets this country's strengths as a world-class source of products, services and partnerships, and as a business location. The director of UKTI in Germany, Mr. Malcolm Scott, recently visited the advanced manufacturing park, which is the only one of its kind, and is attracting millions of pounds of investment to south Yorkshire.

According to UKTI, Britain is Europe's No. 1 destination for inward investment, and Yorkshire comes high on the list of preferred locations. Rotherham is one of only 16 places in the world, and the first in England, to be recognised as a world leader in welcoming inward investment. It holds the soft landing zone accolade, awarded by the USA's National Business Incubation

[Mr. Barron]

Association, for its support for businesses to arrive, survive and succeed in the town. That is international recognition of our great sense

Mr. Scott, during his visit, saw for himself why the park has a global reputation for engineering, innovation, research and manufacturing excellence, and why it is attracting interest from around the world. Last year the Government announced that Rolls-Royce had chosen that site as the location for its new £25 million nuclear advanced manufacturing research centre. When that opens, it will sit alongside other world-leading materials and structures R and D organisations, including the university of Sheffield's advanced manufacturing and research centre, which is a joint venture with Boeing, the TWI technology centre and Castings Technology International.

At that site, Boeing and the university of Sheffield are undertaking leading-edge projects on the Boeing 787 Dreamliner. That is what is happening in the real world and in our economy. Mr. Scott also saw 17 high-tech companies, including Fripp Design and Research, a product design, research and business consultancy, and many others. The Boeing-university of Sheffield joint venture is a £100 million project that leads the world in that area of R and D.

Without Government intervention, none of that would have happened. We would not have had Boeing in south Yorkshire—at the leading-edge of aerospace technology; and we would not have had Rolls-Royce coming in to build on that site a manufacturing plant that is estimated to be the size of four football pitches. That is the reality of what this Government have been doing in communities such as mine, which past Governments left to rot. When I listen to people talking on the radio or in this House, I deeply resent the fact that they do not have the decency to say that massive mistakes were made in the past in constituencies such as mine, and that this Government have been putting them right.

We may have borrowed a lot more money in the past few years, but that may have some connection not only with what has happened on that site in my constituency, but with the new schools that it is getting. The issue is not just about bad debt; it is about the future. I accept entirely that the debt has to be managed, but this is about the future of our people, our communities and our children, and we ought to recognise what this Government have done.

That 100-acre advanced manufacturing park is on the site of the old Orgreave works, and neighbouring local authorities have also given planning permission for a massive development of office space on the site. Alongside yesterday's Budget, the Chancellor also announced the publication of a report called, "Relocation: transforming where and how government works". He said that the Government were looking at finding savings by relocating civil servants from expensive London offices to elsewhere in the country, and that as a first step 15,000 posts would be relocated in the next five years. Planning permission for the offices on that site is now, I think, at the Government office for the region, or it may be on its way down to a Minister's desk, and that development fits ideally with a programme of relocating civil servants outside London.

I read yesterday's report, whose author is Ian R. Smith. He commented on why every Government over many years have wanted to relocate civil servants to different parts of the country, and on some of the difficulties that there have been. However, he gave three reasons why civil servants should be located in London and elsewhere. First, Ministers need their ministerial back-up teams, and civil servants from their Departments obviously need to be in London, close to Ministers, this House and the other place, because that is how the system works.

Secondly, Mr. Smith mentions other areas just outside central London, which is an expensive place, as he explains. They include the London gateway and Stratford, where more could be done, and where the Government are undertaking great regeneration work. Again, however, the Opposition do not seem to recognise that. Thirdly, he says that after that second scenario we ought to be more serious about relocating people to different parts of the UK, including Wales, Scotland, Northern Ireland and the different regions.

So, I am not going to miss this opportunity to plug the planning application to which I referred, and which has gone through the local authorities, because it would enable not just a set of civil servants to relocate to Yorkshire, but public sector bodies to cluster, share accommodation and facilities and provide shared services. The developers, Helical Governetz, say:

> "The 'hub' although perfect for government relocations will also be an excellent solution for the regional civil service seeking co-location and the wider public sector particularly local government".

They go on to mention the NHS and everything else.

That site could deliver the government of the future, be that local government, regional government—although we are a long way from an elected regional chamber, and long may that remain—or central Government. They could be delivered out there, in that area, and that new form of government should be delivered throughout the United Kingdom; it should not be centrally based, as it currently is. I thought that I would include that plug. I do not expect that much will be said about this in the wind-ups. However, I hope that we will look to ensure that where there are sites with planning permission we can get engagement by Government, particularly Regional Ministers, to ensure that this process goes ahead.

I am now going to sit down after what has been rather a long speech. I felt that given that we are very close to a general election that will decide who sits in Government, I ought to have my say on behalf of my constituents and many thousands of other people in constituencies such as mine that were laid to waste in the last two recessions; indeed, recessions were created to lay them to waste. It would be wrong of me not to get up and say to this House that when we go to the ballot box in a few weeks' time we should not forget the lessons of history, because some things look just the same to me.

2.10 pm

Sir Nicholas Winterton (Macclesfield) (Con): I am delighted to follow the right hon. Member for Rother Valley (Mr. Barron), who spoke with great passion about his constituency; as he knows, there is no better

time to do that than just before a general election. I listened with care to what he said. He and I have quite a lot in common. He supported the mining industry, and when my colleague, Lord Heseltine, who was then in this House, sought to close virtually all the pits, I was one of a group of about 25 Conservative Members of Parliament who strongly supported the retention of our mining industry. I wish that we had kept more pits open than remain open today.

Mr. Cash: Will my hon. Friend give way?

Sir Nicholas Winterton: Hold on: I know what my hon. Friend is going to say. He, too, was one of those 25 Conservative Members of Parliament, and I commend him for the support that he gave to the coal industry, along with myself and others on the Government side of the House, as it was then. Perhaps the right hon. Member for Rother Valley will not particularly commend me for saying this, but the Union of Democratic Mineworkers undertook a service to this country that the people of this country should never forget. I knew Mr. Roy Lynk and Mr. Greatrex, and others, well, and they did a great service to this country.

The right hon. Gentleman is involved in another matter with which I was involved: he is Chairman of the Select Committee on Health. I had the honour of chairing that Committee for a length of time, and it was a challenge. Although I was ultimately removed from the chairmanship—in fact, that is not quite correct: I was not reappointed to the Committee in the new Parliament of 1992—I believe that the role that I played on that Committee was totally appropriate and closed the gap between this House and the medical profession and those who work in health care outside this House. I commend the right hon. Gentleman on the lead that he, too, has given.

Let me, though, give the right hon. Gentleman one piece of advice. He talked about the amount of investment that was being made in his constituency; I express the hope that that investment goes ahead. However, I remind him, and Ministers on the Treasury Bench, that that may not ultimately be in the hands of the present Government, if they retain office after the next election, or, for that matter, my own party, if we attain office. At the end of the day, this country's ability to borrow money will rest with the financial markets, because if the financial markets lose confidence in this country and its ability to run its economy in a sound and secure way, our triple A credit rating could be downgraded. If that happens, our ability to borrow money will become more difficult and the interest rates that we have to pay will rise, which means that taxation will rise and the impact on the economy will be very great.

The hon. Member for North Southwark and Bermondsey (Simon Hughes) talked about not proceeding with certain expensive defence projects, although he did not say how the Liberal Democrat party would guarantee the defence and security of our country. I have to say to him that the first priority of any Government of this country is the defence of the realm.

Simon Hughes: The hon. Gentleman knows that he has a lot of respect in this House. He is right about the first priority of a Government. We are clear that in the defence review that we all know will happen after the next election we must guarantee the funding to ensure that troops on the front line, whether they are from the Royal Navy, the Army, the Air Force or the Royal Marines, whom I was with last night, have what they need to do the job flexibly, responsibly and effectively. However, some things may not be affordable and, in our book, a like-for-like replacement for Trident is one of them.

Sir Nicholas Winterton: The hon. Gentleman makes his position and that of his party very clear. He will accept, however, that the present Government and my party disagree with him on this. We believe that a replacement for Trident is essential to the future security and defence of our country. That means, of course, that there are agreements across the Dispatch Box between Her Majesty's Opposition and the Government of the day.

Kelvin Hopkins *rose*—

Sir Nicholas Winterton: I am happy to give way to my very good friend from Luton; on matters relating to the European Union, he and I are as one.

Kelvin Hopkins: We do agree on certain matters, but not on this one. Why do we need an international nuclear weapon when Italy, Germany, Japan and many other countries feel no need to have such a weapon? Is it not just machismo and posturing?

Sir Nicholas Winterton: I have been in this House for quite a long time, with almost 39 years of uninterrupted service, and I have always believed that the nuclear deterrent is an essential part of the security of the world, and that we are part of that. We have contributed to the security of the world, and I believe that we should continue to do so.

I should like to make one further comment about the right hon. Member for Rother Valley. He and I have another thing in common, because he is committed to manufacturing industry. Ever since I came into this House in 1971, I have championed manufacturing industry, and I will go out of this House championing manufacturing industry. To me, it is essential. If we want a stable economy in this country, we cannot entirely rely on financial services or the service industries. The manufacturing base gives us that sound stability on which economic progress is founded.

Simon Hughes: I absolutely share the hon. Gentleman's view. I am really encouraged that there appears, at last, to be a realisation that playing the international financial markets has not given us the long-term economic security that we need. Whether from his great county of Cheshire or the inner-city docklands that I represent, people are desperate for the engineering, science and research skills of British people to be used. They are ready to do the jobs—give them a bit of encouragement and they will make and sell the best in the world.

Sir Nicholas Winterton: Let me mention another matter that, again, involves the right hon. Member for Rother Valley, who spoke with such passion about many of our famous manufacturing companies. Let us take steel as an example. Where is steel now? Who owns steel in this country? It is owned by an Indian company.

[Sir Nicholas Winterton]

Tata. When there is a recession, what is Tata likely to do? It is likely to make closures, as it is doing in the case of a smelting processing plant in Redcar in the north-east. It is a tragedy that we have allowed the core of our manufacturing base to be eroded and taken over by overseas interests, which will, when all is said and done, return to their own countries many of the profits that they make in the plants that they own in this country. Tata also owns Jaguar Land Rover. Those products made our country famous and are acquired and respected throughout the world. Why has the United Kingdom allowed the foundation of its manufacturing base to be purchased by overseas interests and, in some instances, taken abroad?

Kelvin Hopkins: I share entirely the hon. Gentleman's concerns about foreign ownership of our manufacturing. Not only did profits go overseas, but factories have been closed down and production taken overseas. Is not that one of the effects of privatisation? Some of the industries that the hon. Gentleman mentioned were publicly owned and would never have been bought by overseas companies had they remained so. I suggest that some be brought back into public ownership to protect them for the long-term future.

Sir Nicholas Winterton: The hon. Gentleman is a traditional Labour party member, and I respect him. He is utterly consistent—I, too, have been utterly consistent. I say to him in a very friendly way that there will be people in both our parties who say that we have been consistent, but consistently wrong. I do not believe that that is case. There is some justification for his view about public ownership, although I do not share it. I believe that companies have sold out and been taken over because of the structure of our tax system and for other reasons that relate to running large companies in this country. I would like many more companies to remain in the ownership of people who live in this country. The hon. Gentleman and I share that view.

Let me now consider the Budget. Although welcome growth is returning to world economies, even though it is a mere 0.4 per cent. in the United Kingdom, that must not be seen as the end of the crisis or the recession. Some might say that the Government's action to date has merely postponed the inevitable trouble that lies ahead because of the UK economy's underlying structural problems.

The banking crisis was a symptom of the problem, not necessarily the cause. Since the UK's departure from the exchange rate mechanism, our record of gross domestic product growth has consistently exceeded that of the rest of the European Union countries. The UK was renowned for its open markets, low regulation and relatively benign tax regime. Although markets here remained open, regulation and taxation increased markedly in the past decade, as did public expenditure and leverage. The result? The UK's growth was increasingly driven by unsustainable factors, which, if not reversed, will undermine our long-term potential for recovery. While the UK's economic advantages were eroded, growth was based on several one-off factors, and the underlying economy became unbalanced. As many of us know, it was biased towards property, finance and the public sector, all fuelled by high and increasing debt.

The composition of the UK economy has evolved rapidly. Back in 1978, 26 per cent. of the population worked in the manufacturing sector. Today, that figure is just 8.9 per cent. In the same period, the proportion working in banking and finance rose from 10.5 to 20.1 per cent. As most of us know, the rise in public sector employment has also been significant, especially in the past decade, with more than 1 million public sector jobs created, taking the total in this country to 6.1 million. That trend has continued, even during the recent severe economic downturn, partially explaining the fact that unemployment has not risen as sharply as expected in the crisis. The Secretary of State for Work and Pensions highlighted that in her opening speech.

During my 39 years as a Member of Parliament, I have never forgotten that Macclesfield's economic success has historically been based on manufacturing industries, including textiles, pharmaceuticals, which the right hon. Member for Rother Valley mentioned, aerospace and paper and board. I have put the question to the Prime Minister, as I put it now to those on the Treasury Bench: does the Treasury agree that manufacturing industry is one of the only sources of non-inflationary, sustainable economic growth? Does it also agree that if it is to be competitive and succeed in future, it needs more regulation, particularly from the EU, and more taxation like it needs a hole in the head? I hope that Ministers agree and will refer to that when winding up the debate.

As a nation, we ignore at our peril the value of our manufacturing industries to the stability and future success of our economy. I repeat that manufacturing is the only source of sustainable, non-inflationary economic growth. As the right hon. Gentleman said, some of the problems that we have encountered recently are due to our forgetting that; we have not appreciated the value of manufacturing to our economy. The UK's manufacturing base is now relatively small, and although it should benefit from sterling's depreciation, it is sadly no longer significant enough to drive domestic GDP growth, at least in the short term.

The fall in the value of the pound, making UK goods cheaper abroad, might have been expected to boost sales overseas. The sharp fall in the value of the pound in the past year should be doing more to help exporters. Sterling's slide has also contributed to the rapid rise in fuel and oil prices, which add inevitably to industry's costs. The Government should drop the proposed 3p per litre rise in fuel, even though that will now be spread over some nine months. It is a heavy cost to industry as well as to the domestic driver.

On the face of it, a 6 per cent. drop in exports in January from December should be worrying—I believe that it is. If British companies are producing fewer goods and services than expected for overseas markets, that will hardly help the overall growth picture for the first quarter of this year. It is possible that the severe weather in January and February held up traffic from factories to ports, and therefore had an effect on exports.

I am happy to give credit where it is due, so I am pleased to say that some employer surveys suggest that there has been a modest rise in optimism among exporters. I hope that that is the reality and that it continues. UK manufacturers may have taken advantage of a weaker sterling to increase their profit margins rather than to increase sales. There is no doubt that the sharpest fall in

the value of sterling since the war happened at a bad time for exporters to take proper advantage, and it is perhaps unsurprising that they tried to extract every last penny out of the demand that remained for their products and manufactured goods. However—and this is a worrying statistic—the trade gap in physical goods widened to £7.99 billion, well above the £7 billion that economists had forecast.

Mr. Randall: I am listening very intently to my hon. Friend. When I was younger, the balance of trade payments statistic was always put up—it was on the news and we were well aware of it—but in recent years it seems to have disappeared from our screens. Can he tell me why that is?

Sir Nicholas Winterton: My hon. Friend is indeed a good friend—he is the official Opposition's pairing Whip, so I need to be on good terms with him—but I cannot give him a reply to that question, because I do not know the answer. Although I am from time to time a provocative and controversial MP, I am prepared to tell the truth and to admit when I do not know the answer.

Kelvin Hopkins: May I be helpful on that theme? One reason why Governments have not focused so much on the balance of trade deficit is that we have a massive deficit with the rest of the European Union, and such a focus might make people less enthusiastic about that.

Sir Nicholas Winterton: I am only too delighted to agree with the hon. Gentleman. My love of the European Union—or lack of it—is extremely well known. Indeed, I tell the House that Europe needs us much more than we need it. There is a huge trade deficit with the countries of the EU. What is more—to add one more thing to build on what the hon. Gentleman said—before we joined the EU, we had a surplus of trade with the countries that then comprised the EU, and that has been totally reversed.

The goods trade gap with non-EU countries was also wider according to the last range of figures—it increased from £3.4 billion in December to £4.8 billion—after exports to countries outside the EU dropped by 12.5 per cent. on the month and imports increased by some 1.6 per cent. What we are witnessing is the result of the fact that the UK's growth was increasingly driven by unsustainable factors such as exorbitant public spending, which if not reversed will seriously undermine our long-term potential for recovery.

From 2000-01 to 2008-09, public expenditure increased from £364 billion to £617 billion. The current forecast from Her Majesty's Treasury—Ministers may wish to confirm this—is for £702 billion of spending by 2010-11. Government spending as a proportion of GDP has increased from 36.8 per cent. in 2000 to 43.2 per cent. today. That very substantial public sector pump-priming spend is both undesirable and, as one or two hon. Members have said, unsustainable. Given the recession in the private sector and continuing, accelerated public spending, Government spending is likely to be 48 per cent. of GDP by the end of this financial year. Does the Minister believe that that is sustainable? Government spending is back to levels last seen in the mid-1970s. It is estimated that pump-priming increased growth, albeit unsustainably, by 1 per cent. in the past decade.

HM Treasury forecast a deficit of £175 billion for the current fiscal year—the current forecast is around £12 billion less than that—but that is almost twice as bad in percentage terms as the UK's deficit at the height of the International Monetary Fund crisis of the mid-1970s. There are effectively three ways of tackling that deficit, which were dealt with in a way by the Secretary of State for Work and Pensions, by my hon. Friend the Member for Tatton (Mr. Osborne) and by the hon. Member for North Southwark and Bermondsey at the beginning of the debate.

One way is to allow tax receipts to erode the deficit by stimulating GDP growth. That has been the Government's main approach, and it has resulted in a 0.4 per cent. increase in growth. The choice after that is therefore unpalatable: tax increases or spending cuts. If the UK is to rebuild long-term economic growth, there is no choice but to reduce significantly the excessive spending of the last decade, most of which was based on borrowed money.

Raising taxes would be counter-productive. The UK's tax advantage over most of our EU competitors has already been lost, and further tax rises, as I am sure most hon. Members agree, will further erode the UK's competitive position. Spending cuts in the short term will impact on tax revenues and Government growth assumptions, and tax increases will crowd out the private sector. Again, it was interesting that the right hon. Member for Rother Valley agreed that the site of the Orgreave coal depot has been developed by private enterprise, albeit assisted by the Government. That is what we want to see in many more parts of the country.

Throughout the 2000s, the Government's economy was an unsustainable engine for growth and we are now suffering the consequences. In my view, we need to build a new economic model based on saving, investment and exports, instead of the debt-fuelled model of the last decade. We simply cannot go on with the same irresponsible economic policies, which have been followed not only by the present Government but by Conservative Governments in the past. Those policies have recently given us the biggest boom and the biggest bust, and they now threaten our recovery with higher debts, higher instability, higher taxes, higher interest rates and—sadly—a possible increase in unemployment.

As the right hon. Gentleman also said, we are one of the great leaders in the world in advanced manufacturing. We have some of the greatest companies in the world operating from the UK as global players with huge strengths in new technology and innovation. I refer especially to AstraZeneca in my constituency. At its peak, it employed 7,500 people in my constituency and that of the shadow Chancellor, my hon. Friend the Member for Tatton. The importance to the local economy of that one firm cannot easily be described.

When will the Government ensure that they do not place additional burdens on business, such as the increase in national insurance, fuel tax and regulations? Our manufacturing strategy should be to support all companies, and especially our large companies, in encouraging innovation so that small and medium-sized companies can be the little acorns for the future. As we know, from small acorns large oak trees ultimately grow. If the future of this country is to be built on modern manufacturing strength, when will the Government encourage industry instead of disincentivising industry

[Sir Nicholas Winterton]

and manufacturing through increased regulation and taxation—including national insurance, which is another form of taxation that is a disincentive to employment?

Why is the Ministry of Defence purchasing aircraft from the United States when an adapted Nimrod MRA4 could fulfil the role, saving several hundred excellent highly skilled jobs at BAE Systems in Woodford, which has been an important part of the UK aerospace industry? Only this week, the Secretary of State for Defence notified me that the Government have finally decided to buy the Rivet Joint, a Boeing aircraft that is 40 years old and has been lying in the desert for many years. Why buy that instead of the Nimrod which could provide jobs in Woodford for people in my constituency and others in south Manchester and north-east Cheshire?

I give the Government credit for some of the assistance that they have given to the manufacturing sector through some additional investment allowances in the Budget. That is fully justified and one way in which industry, especially manufacturing industry, can be helped. Despite receiving unprecedented and valuable bail-outs from the taxpayer, the banks et al are providing little or no meaningful assistance to hard-pressed manufacturing via increased lending.

The plight of small to medium-sized businesses is a serious one, given that the commercial banks are still—I have evidence of this in my own constituency—refusing to lend to struggling businesses, which are after all the powerhouses of the modern economy. As I have indicated, individual businesses in the Macclesfield constituency continue to find it difficult to secure the affordable credit that is so vital for their survival. So often, the difficulties that they are facing have not been of their creation. They did not, in the main, cause the credit and economic crisis that the world has experienced, and we do not want these businesses to go out of business.

The problems faced in my constituency, however, are repeated throughout the north-west. There is still widespread concern about the difficulty of arranging bank loans, despite the assurances being given by the Government. There is evidently growing competition, too, from manufacturers abroad, which are also suffering from reduced orders and overcapacity, and are now therefore flooding the market in the UK with goods at less than cost price. That is affecting manufacturers in this country producing for both home trade and export. Given that about half of UK manufacturing output is exported, surely it is important that the world economy moves forward as well. It is very important to us that we work with the rest of the world. It is important that we co-operate—and that co-operation should extend beyond the European Union—so that we can achieve growth and jobs for the future. That will benefit not just the economy of this country, but, I believe, the economies of countries overseas.

It came as bad news for the UK when its trade gap with the rest of the world widened unexpectedly in January to its largest since August 2008. Exports saw their sharpest drop in more than three years, according to the Office for National Statistics. The UK's trade gap in goods and services widened to £3.8 billion compared with £2.6 billion in December. I put this question to those on the Treasury Bench: when will the Chancellor recognise the value of our manufacturing industries to the stability and future success of the UK's economy? When will he reverse the crippling £16 billion in constantly changing regulations and £7 billion a year in new taxes introduced by this Government? And when will he recognise that manufacturing—I repeat this for the third time—is one of the only sources of sustainable, non-inflationary economic growth, and therefore the key to getting out of this damaging recession?

With loose monetary policy and sterling, the manufacturing sector can—and, I hope and pray, will—return to positive, year-on-year growth by the later months of this year. As for the road to recovery for the wider economy, first, the huge budget deficit—I say this both to my own party and the Government—must be tackled. The next Government will, I think, continue to ignore this problem at their peril. The incoming Government must act immediately on the deficit and stabilise long-term interest rates. No areas of the Budget should be ring-fenced. Of course there will be priorities, but priority should, inevitably, be afforded to national infrastructure and defence, both of which are of long-term strategic importance to the nation.

Sadly, no programme of responsible cuts, efficiency savings and restructuring can ignore social security and health care. I am sure that everyone here, including the right hon. Member for Rother Valley, who chairs the Health Committee, would agree that there is room for savings within the health service bureaucracy. I was personally opposed to having providers and purchasers in the health service. It was a very costly innovation, those many years ago, by the then Conservative Government, and I think that a lot of that money, which has been spent on management, could have gone on patient care and nursing.

I declare an interest as an honorary vice-president of the Royal College of Midwives, like the hon. Member for Leyton and Wanstead (Harry Cohen), who I hope will catch your eye, Mr. Deputy Speaker, in a few minutes. I believe that we need to spend more money on what I call genuine patient care—not just treatment but care. Despite the fact that I have not been involved with the Health Committee for many years, I continue to take a considerable interest in health care in this country.

As a country we urgently need to establish a medium-term plan to reduce the size of the state, which today accounts for—I say this to the hon. Member for Luton, North (Kelvin Hopkins)—almost half the UK economy. Let us not forget that progress will be dependent on growth, but no economy can successfully grow in the long term with such an over-dependence on central Government and the state. I can say with some confidence that my constituency will, I trust, play its part in that recovery.

Mr. Deputy Speaker, it has been a huge honour to serve our country, my constituents in Macclesfield and this House for almost 39 years. This is my valedictory speech; I hope that it has been constructive. I have loved being in this place. I hope that the authority of Parliament can be restored, and that the authority and independence of Back Benchers can grow—

Stephen Pound (Ealing, North) (Lab) *rose*—

Sir Nicholas Winterton: I am happy for the hon. Gentleman to intervene. He is a great friend to me, and when I stood for Speaker in 2000 he acted as my seconder. I respect and admire him for that courageous decision.

Stephen Pound: It was a decision that did not make me an enormous number of friends, but may I tell the hon. Gentleman that that love is reciprocated very widely in this House?

Sir Nicholas Winterton: I am very grateful indeed to the hon. Gentleman—my friend—for that very generous comment.

I wish this House success. I hope that Back Benchers will exercise increasing authority in future. I thank the Speaker, the Deputy Speakers and the staff of the House for the courtesy that they have always extended to me. I wish my successor, whoever that might be, happiness and good fortune, and I bid farewell to this House.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I was overwhelmed by the climactic end to that speech, but it is certainly no disrespect to the hon. Gentleman, whose reputation as a parliamentarian is well recognised, if I mention that if everyone speaks for that long, not everyone will be called. It would therefore be helpful if hon. Members could keep an eye on the clock.

2.47 pm

Kelvin Hopkins (Luton, North) (Lab): May I say what a great pleasure it is to follow the hon. Member for Macclesfield (Sir Nicholas Winterton)? I am deeply sorry that he is standing down. He is far too young and still has far too much energy. He should stay with us for many more years—I hope that I will be here too, but that is another story. Despite coming from a different segment of the political spectrum, I find myself in agreement with him on so many issues, and particularly manufacturing, on which I also speak. He is absolutely right about the importance of manufacturing to the economy. Manufacturing is too small a sector now. We need to keep what we have and expand it for the future, so that we can get a more balanced economy, with manufacturing playing a much larger part in our long-term economic health. I congratulate him on his speech and, in particular, his emphasis on manufacturing. I am sorry that he is choosing to leave us.

However, I do not always agree with the hon. Gentleman on the economy. I support the Chancellor, who was absolutely right to dismiss the Conservatives' demands for immediately making deep public spending cuts, which would simply cause a loss of jobs and hit the pensions and pay of public sector workers, as well as public services themselves. Some public services, on which some of the most vulnerable people in our society depend, are already suffering from the squeeze. This very week I went to a seminar on care. Even now, people are not getting the care that they need or deserve, whether at home or in residential care. I am seriously concerned about that. We need to spend more on care, not less. Children's services could also be seriously affected by the squeeze on public spending by local authorities and, perhaps, the health service. Over the past year or two, we have seen a number of serious failures in children's services, which are not helped by squeezing spending. I want more spent on children's services and social services generally, so that the most vulnerable can get the support and care that they need. If we were to go for serious cuts, we would be forced into serious deflation and a depression. In fact, we need to do the opposite to generate growth and employment.

Indeed, some months ago the Conservatives chose a tactic to try to embarrass the Government and to panic them into imposing cuts just before an election. That would have had a serious effect on the economy and, no doubt, led to our suffering at the polls. What has actually happened, however, is that the Conservatives have shot themselves in the foot or scored an own goal, whichever metaphor we care to use.

Stephen Pound: It is difficult to do both.

Kelvin Hopkins: Indeed, it would be difficult to do both at the same time. My hon. Friend is most helpful.

People have now recognised that they would feel threatened by the Conservatives, rather than by ourselves, should they win the election. We have emphasised the importance of sustaining employment, and we have had some success in doing that, but we need to go much further and generate more employment. Generating employment is the solution not only for everyone's quality of life but also for the deficit. The serious cause of the deficit is that our unemployment is too high. If it were to go down and we were to return to full employment, we would get much more back in tax revenues and pay out much less in benefits.

There was a quotation in *The Times* this morning from Anatole Kaletsky, whom I am sure everyone reads. He said:

> "To respond to disappointingly low growth by raising taxes and slashing spending would be economically suicidal, setting Britain on the path to Greek-style debt deflation and almost certainly increasing the government deficit, as Mr. Darling quite rightly warned."

He went on to quote the Leader of the Opposition's speech yesterday:

> "But Mr. Cameron declared: 'Every family knows that when your debts mount up you need to start paying them off or things only get worse.' For a man quite likely to be the First Lord of the Treasury in two months' time, this pre-Keynesian economic illiteracy was troubling".

I do not think that the right hon. Gentleman will be the First Lord of the Treasury, but Anatole Kaletsky does. I also think that that prospect would be more than troubling to most ordinary people; it would be quite frightening. The Conservatives have made a big mistake, tactically and politically, as well as threatening to derail our economic recovery.

Anatole Kaletsky also recognises—although I was there before him—that there has been a genuine shift in the Treasury's laissez-faire philosophy towards the more interventionist industry policy advocated by our noble Friend, Lord Mandelson. I very much welcome that change of direction, and I would like to push it much further. Indeed, in the past year, the General Motors plant in Luton, which produces the excellent Vauxhall Vivaro, has been given a secure future through the intervention of the Secretary of State for Business, Innovation and Skills. He has been very helpful in providing financial support to General Motors in Britain, and the plant now has a secure future.

During that time, I have met the Secretary of State twice and put my case to him directly. I have also written to him at length on a number of occasions not

[Kelvin Hopkins]

only to emphasise the importance of preserving excellent manufacturing plant such as the General Motors plant in Luton but to say that manufacturing matters much more than our Government have recognised, unfortunately, until recently. I have told him that we need to rebuild manufacturing, and he has been saying all the right things about that in recent months. I like to think—perhaps I flatter myself—that some of our conversations and correspondence have helped to tip him in that direction. He is concerned about the degree of foreign ownership, for example, and about the balance of trade, and I think that he is right to be so.

Germany has almost religiously defended its manufacturing sector, and it has kept hold of its balance of trade surplus for several decades, much to its advantage. I think that we should follow Germany's example. It is also interesting to note that, when the European Union starts to threaten Germany's strength, it suddenly turns out not to be quite so pro-EU as we thought it was. Indeed, Angela Merkel has suggested this week that if member states cannot hack the rules of the eurozone, they should be expelled from it. Is this the beginning of the end for the eurozone, I wonder?

Perhaps we could get back to much more sensible economic arrangements in which countries manage their own economies and choose their own fiscal and monetary policies and their own exchange rates according to their needs. That would be a much more sensible way of proceeding, rather than ramming together weak and strong economies and hoping that the weak ones will suddenly take on the strength of the strong ones. That does not happen. The best example, of course, is Argentina, which signed up to a fixed rate with respect to the dollar and for 10 years wrecked its economy as the middle classes took all their money out, leaving a wrecked economy behind. Eventually, the country recreated its national currency, separated from the dollar, massively devalued and has spent a long time trying to rebuild the damage done by that stupid mistake. I think the euro has the same problem.

That is almost an aside, but we were sensible to keep outside the euro. I have many times asked Conservative Members to congratulate the Prime Minister on his very sensible decision to keep us out, which has been advantageous. I am sure that they appreciate it, although they will not give him as much fulsome praise as I do—not publicly, anyway.

Clearly, there is a deficit, but focusing on the deficit now is not what we should be doing. We should be focusing on economic growth, as that is what will bring down the deficit. The deficit has two components. The first is cyclical. If we have rapid economic growth, unemployment comes down and that cyclical problem disappears. A structural deficit perhaps remains, if we accept this analysis. In the longer term, when the economy is stronger, we can address that structural deficit. It might mean cutting public spending for some people, but for me it means raising taxes, income or revenues to close the gap.

How do we cut the substantial tax gap? Estimates from a group led by the Public and Commercial Services Union, the Tax Justice Network, War on Want and others suggest that there is tax gap—the gap between what the Treasury should receive and what it actually receives—of £120 billion a year, which is a staggering amount of money. The TUC estimates suggest that tax avoidance costs us £25 billion a year, while tax evasion costs us £70 billion a year. The debts owed to Her Majesty's Revenue and Customs, which does not have the resources to collect them, amount to £28 billion.

I attended a meeting in the Palace of Westminster about two weeks ago in which PCS members working in HMRC said that if they had more officers, they could collect more tax. Some 12 years ago, I paid a visit to my local VAT inspectorate office. I must say that I was very impressed as it was doing a good job, but there were not enough people employed there to do the job properly. I was told that every new tax inspector collected five times their own salary in taxes. It seemed to me that it would be logical to have more tax inspectors to collect a lot more tax. When I wrote to the Treasury at that time, I received a fatuous reply, saying that it was trying to reduce costs by cutting staff, but doing that means reducing income by far more than the cost of the staff.

I urge my Front-Bench colleagues even now to think seriously about employing more tax inspectors, perhaps paying them a bit better and raising their morale so that they do a good job and collect more of that £120 billion that we are not collecting at the moment. Even if we collected only a quarter or a fifth of that amount, all our problems would almost disappear overnight and we would have more to spend on the things that I think we should be spending on—free long-term care, much higher state pensions, more investment in transport infrastructure and so forth. We still have serious problems with public transport. London is one of the poorest of the major cities in the world when it comes to public transport, as revealed quite recently when measured internationally.

There is a lot more we could do with this amount of money. Most of this uncollected money is owned by relatively rich people and companies, but they do not spend much of it. Those who have studied economics at a modest level will remember the propensity to consume. Poor people, pensioners and families tend to spend all their money, so it goes straight back into the economy as soon as they get it, which generates demand. Rich people—even Members of Parliament—may not spend all theirs. Very rich people put it in the Cayman Islands or even Belize. When they put it in other places, it does not help our economy. These people have a low propensity to consume. The more we give to the less well-off, the more we generate for the economy.

Stephen Pound: A marginal propensity to consume.

Kelvin Hopkins: A marginal propensity to consume, as my hon. Friend rightly says. A simple redistribution, without changing overall levels of income from rich to poor, helps the economy. I urge my right hon. and hon. Friends to bear that in mind if they want to ensure that the recovery continues on its strong course.

I should like to see higher revenues for the Treasury—perhaps through an increase in taxes, preferably one that would change the balance between the contributions of the rich and those of the poor—along with a much larger state pension and free long-term care. I also think that we need to build many more council houses. Other people call them affordable or social houses, but I call them council houses. I want councils to be given the job of building houses as they built them in the past—quality

houses. Almost all the ones in my constituency have been sold. After the war, when we had a broken-backed economy, we were able to build decent council houses with gardens for working people. Why have they become unaffordable all of a sudden now that we are a much richer country?

Simon Hughes: I believe that I represent more council tenants than any other English Member. One of the reasons for the problem is that Governments of both colours have never allowed all the money that has been paid to remain with councils to be spent, and has never allowed the money that came from the right to buy to be given back to them. Does the hon. Gentleman agree that we will solve the problem only if we allow councils to build houses, continue to own them and keep the money to spend, so that the generation of council properties can be maintained?

Kelvin Hopkins: I entirely agree. It was the Housing Finance Act 1972 that set us in this direction. I opposed it at the time, as a councillor.

We also need green energy projects. We must invest much more in alternative forms of energy which do not pollute or create greenhouse gases. We will experience a serious crisis within a few years; we are approaching peak oil.

As for savings, the hon. Member for North Southwark and Bermondsey (Simon Hughes) mentioned Trident. I simply do not believe that we need Trident: as I said earlier, I think that it is being retained for reasons of political machismo. Savings could also be made by abolishing ID cards. However, I do not want to go on about savings too much, because I do not think that we should be looking to them for extra cash. I think that we should try to collect a little more of the tax that is owed to the Treasury every year. We should try to collect some of that £120 billion.

It has been suggested that if we do not address our deficit, the returns on long-term gilts could rise, because those from whom we borrow will be worried about our future economy. If we had a strong economy, the return on gilts would fall, because people would feel more confident. If we flatten our economy by cutting, increasing unemployment and driving ourselves back into a recession or even a depression, people will be much more worried about the economy than they will be if we spend now, when we need to. If we ensure that the economy is strong, the return on gilts and long-term interest rates will fall. That is what is happening in Germany. When Angela Merkel returned to power she embarked on a targeted reflationary strategy, which is why German long-term interest rates are lower than ours. I think that we should follow the German example in this respect, although not in all respects. The Germans have got certain things right, such as manufacturing.

Cutting unemployment is the key to success. We want reflation, not deflation. As for reducing the deficit, we will do that in the longer term. The process will be largely automatic, but if we need to address a structural deficit we can do so by collecting more taxes—by means of tax changes, but closing the tax gap would be my priority.

I think that we have the potential to build a strong economy for the future. I think we have finally recognised that the era of neo-liberalism—the era of globalisation and laissez-faire capitalism—has failed. It has brought us to the brink of catastrophe. I am sad to say that Members on all three Front Benches have supported that strategy for many years. I remember saying in my maiden speech that I had come here to oppose neo-liberalism, and I do not regret saying it. I think I was right then, 13 years ago, and I think I am right now. In a sense, the fact that we have looked over a chasm has proved my point. Countries must return to more managed economies. I do not mean strategically controlled, publicly owned economies, but I think that countries should choose their own interest rates, fiscal policies and exchange rates, and intervene when it is necessary to ensure that their economies work, retain their strength and, indeed, become stronger. When we have achieved that, we can co-ordinate reflation between the countries of the world, and we can all grow together and become stronger together. That is the way forward, not the lunacy of the last 30 years.

3.9 pm

Mr. Michael Fallon (Sevenoaks) (Con): First, I remind the House of the interests recorded in the register.

I hope that the hon. Member for Luton, North (Kelvin Hopkins) will forgive me if I do not attempt to explain to him why he might be wrong to think that neo-liberalism is on its last legs. It might be worth reminding him as well that it is still the policy of his Government in principle to join the euro. I agree with his point about tax collection, however. The Treasury Committee recently looked at the state of Her Majesty's Revenue and Customs, and morale there is not good; I certainly agree with the hon. Gentleman on that. Whichever party wins the election in May will need to take a fresh look at HMRC; an awful lot of tax is not being collected, and when the Committee last looked at it, we found a rather dispirited and poorly led service that requires urgent attention.

Yesterday, we saw a very rare sight: a pre-election Chancellor who could not give an election Budget. The public finances are in such a sorry state that he could not have afforded a giveaway Budget even if he had wanted one. He called it all workmanlike, but I call it impotent: it was impotent on the public finances, and impotent on the real economy.

Like my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton), I am seriously concerned about the economy's future growth prospects. The Chancellor continues to forecast growth of more than 3 per cent. for next year, but the latest independent forecasts—from the first fortnight in March, and gathered together and published by the Treasury—show an average growth forecast for next year of just 2 per cent. I therefore think the Chancellor is being optimistic. Manufacturing output is still falling, business investment has halved, and exports have fallen by 12 per cent. over the last three months, which is one of the sharpest falls on record—my hon. Friend the Member for Macclesfield gave the export figures for just last month, I think. I am not sure whether we will have a hung Parliament, but we have certainly got a hung economy: it is half in, half out of recession.

I see that in my constituency: the high street continues to struggle, small businesses cannot get the credit they need, and a third of those registered as unemployed in

[Mr. Michael Fallon]

the Sevenoaks constituency are under 25 years of age. After all the initiatives on youth unemployment and all the extra investment in education and training, that is a shocking figure, and it is worth adding that it has increased by 14 per cent. over the last 12 months. I am therefore seriously concerned about the prospects for economic growth.

Turning to the public finances, only a Labour Chancellor could describe a deficit of £167 billion as some kind of improvement on his original forecast. This Government cannot escape responsibility for their appalling record in managing the public finances. They have not balanced a Budget for nine years, and seven of them were years of growth—indeed, they were years of continuous growth—when there was an explosion in the value of receipts; income tax receipts from the financial sector, stamp duty receipts from the housing sector, increased employment yielding yet more tax, and increased corporation tax coming in from a booming economy. Yet for nine long years they have failed to balance the Budget. As we all know, the deficit now stands at some 12 per cent. of GDP, but the structural deficit—which, with respect, I think the hon. Member for Luton, North was a little cavalier about—is 8 per cent. of our GDP and will not be magicked away simply by growth.

Tackling that deficit will require firm action on the spending side and, almost inevitably, on the tax side too. That is why this Government have pencilled in some £19 billion of tax increases. Those are now in the pipeline, although the Government have skilfully ensured that most of them will not really kick in until April 2011. The structural deficit is some £70 billion to £80 billion. Some £19 billion is coming in from tax increases and some contribution is no doubt coming from growth, but what the Government have not told the House is the detail on the £30 billion or £40 billion that simply has to come from reductions in public spending.

Simon Hughes: The hon. Gentleman is well respected for his position on the Treasury Committee. He may be about to do this, given his analysis that additional receipts will not solve the problem and that significant spending reductions will have to take place, but will he now say where he thinks a Conservative Government should find those? We have not heard that from his Front-Bench team.

Mr. Fallon: I was just coming to that, but I do not want to let the Government wholly off the hook on their record. I said that they had wasted the good years, so let us consider the summary: unit labour costs in this country are back to pre-exchange rate mechanism levels; public sector productivity has actually fallen over the past 10 years; and so unreformed are our public services that only half our school leavers get five good GCSEs.

The Government are now borrowing so much that even on current bond yields it is cheaper for the Italians to service their borrowing than it is for us to service ours; our Chancellor and Prime Minister are running our public finances worse than Signor Berlusconi is running his. This should have been a Budget that set out in more detail plans to tackle the deficit. The key difference between the Conservatives and the Government is that we know that we cannot sit on our hands for another 12 months. That is also a key difference between us and the Liberal Democrats. To be fair to them, they have spelt out some cuts, but they are saying that none of those cuts should take any effect until April 2011. I simply do not understand that argument.

If we think that identity cards, for example, are the wrong way forward and will not better protect us against terrorism, how would a new Government in May or June making an immediate start and getting rid of those jeopardise the economic recovery? If we think that government should be smarter, and that we should freeze recruitment in Whitehall and cut back on consultancy and some of the unnecessary public bodies, how will that suddenly tip us back into recession? There are savings and economies that need to be implemented now, and the Government need to get going. I shall explain how.

Simon Hughes: Statements by my colleagues have made it clear that although further decisions have to be made to take effect in 2011, some things, such as the scrapping of the ID cards system, can and should take place in the coming financial year. So, I hope that the hon. Gentleman will not misrepresent the fact that we are clear that some savings need to be made in the year that is just about to start.

Mr. Fallon: I am grateful for that clarification, because we were perhaps under the illusion that the Liberal approach was savagery, but not yet; we now find that the savagery is going to start in 2010-11. We cannot sit on our hands for a whole 12 months. Many of these economies and savings will not jeopardise the recovery and hurl the country back into recession.

How does all this need to be done? As the Governor of the Bank of England has been saying time and time again, there needs to be a credible plan that will capture the confidence of the markets, and that needs to be spelt out. Secondly, the bulk of the savings have to come in the first Parliament. Spreading these reductions over six, eight or nine years is too leisurely. The bulk of the deficit has to be tackled in the first Parliament.

Thirdly, the bulk of this deficit reduction surely has to come—this is where I obviously disagree with the hon. Member for Luton, North—from spending reductions, rather than yet more tax increases. Tax increases are already in the pipeline. There are to be tax increases on national insurance contributions, which will affect anybody earning more than £20,000 a year and all the businesses that employ them. Employers' contributions are going up from next April—that is in the pipeline. In addition, we have now discovered, from the small print of the Budget, that everyone is going to pay more in income tax straight away, this April, because of the failure to index the allowances, so the bulk of the reduction has to come from the spending side rather than the tax side.

Fourthly, the process has to be open and honest and must have public consensus behind it. I agree with the hon. Member for North Southwark and Bermondsey (Simon Hughes) on that point. That is why it cannot be done through the chaotic press releases from various Whitehall Departments that my hon. Friend the Member for Tatton (Mr. Osborne) read out this morning—the continuous sleight of hand over various spurious efficiencies. It has to be done openly and honestly. That is why I welcome my hon. Friend's proposal for an office for

budget responsibility. There is nothing new about such an office, as a similar office signally improved and helped the Government of Canada to make the reductions that they had to make because there was an independent juror who could properly vet the Government's proposals and help them to judge whether those proposals were fairly balanced.

As well as restoring public finances, the Budget should have been used to fire up the economy. We have to recapture the missing 5 or 6 per cent. of our gross domestic product that was lost during the financial crisis. As in any Budget there are some measures that I welcome—there are measures to help businesses, even small businesses—but I note that an awful lot of the measures seem to set up organisations to be run by Lord Mandelson, including various investment banks and panels. I think that we must first reduce the cost of employment. Businesses in my constituency, particularly small businesses, are now tax credit administrators. They have to look at student finance and check people's immigration status, so they are virtually working for the Government. There is a perverse incentive on small businesses almost to do everything possible not to take on an extra body. We have to look at the cost of employment. That means looking again at the increase that is threatened on everyone from April 2011. If my right hon. and hon. Friends on the Front Bench are right in proposing to exempt all new businesses from national insurance payments for the first 10 employees whom they take on, why should not that also be right for all small businesses? Of course, we need to reduce those costs.

We must also do more to help exporters. Like my hon. Friend the Member for Macclesfield, I am seriously concerned about the deterioration of our export position. The Government could do more on that, as public finances allow. They should consider withholding tax, as it is difficult for companies that do not have large trading operations in this country to have profits to offset against the profits they earn overseas. We ought to consider the balance, in relation to withholding tax, to see how we can better help exporters.

Finally, we need to do more about early-years funding. The private equity industry in this country, with which I am connected, has been much maligned, but has performed a very good service in helping medium-sized businesses, such as family businesses, to proceed to the next level. What we have not been so good at is providing start-up, or risk, capital. That is done so much better in the United States. I think that we need to look again, as public finances allow, at the eligibility and thresholds of venture capital trusts, which are a minor part of business incentives and simply do not encourage the kind of investing and risk-taking culture that new businesses need if they are to start up and get the capital backing that they need.

Those issues are not opposites. It is essential both to rebuild public finances and to re-energise our economy if we are to rebuild the confidence that we need among businesses and in the markets, but the Budget will not do that. Hon. Members might remember sitting mock exams in March, when they were at school, in preparation for the real thing in the summer. Yesterday's Budget was a mock Budget, and the Government failed it. In the end, I suspect that whoever wins the coming election will have to introduce a real Budget later in the summer.

3.20 pm

Harry Cohen (Leyton and Wanstead) (Lab): It is a pleasure to follow the hon. Member for Sevenoaks (Mr. Fallon), whose case is always coherent, even if I do not agree with his solutions. I do not agree with his assessment of yesterday's Budget, either. I think that it was a steady-as-you-go Budget designed not to choke off the recovery. I saw that the front-page headline of the *Daily Mail* today called this a Budget of envy and spite—I do not know what world those people live in! I think that it was a result of the extra 1 per cent. of stamp duty on the sale of homes with a value of more than £1 million, which just shows the agenda of the chief journalists and political editors of papers such as the *Daily Mail*. We know where they are coming from and people should not be taken in by their hyperbole.

The Budget was designed not to choke off the recovery, but the Tory alternative of heavy cuts would do just that and be grossly unfair. It was not public service workers, ordinary working men and women or even the middle class who brought about the crisis and the near economic collapse; it was the reckless bankers and speculators and those like the Tories who wanted virtually no regulation or control of the banks at all. However, those without the blame are being asked to pick up the bill, and it is a heavy one. The heavy cuts that the Tories are looking to impose on them are unfair.

I still think that we need substantial banking reform. It must never happen again—that must be the watchword—and the structural change is not in place. Let me quote President Obama in a speech on 21 January this year:

> "For while the financial system is far stronger today than it was one year ago, it is still operating under the same rules that led to its near-collapse...These are rules that allowed firms to act contrary to the interests of customers, to conceal their exposure to debt through complex financial dealings, to benefit from taxpayer-insured deposits, while making speculative investments; and to take on risks so vast that they pose threats to the entire system."

He went on to say:

> "Never again will the American taxpayer be held hostage by a bank that is too big to fail."

We should be saying the same for the UK taxpayer, too.

On the "too big to fail" argument, President Obama said that he had made it the policy in the United States that there would be no further consolidation of the financial system. I think that that should be our Government's policy too, and, in addition, we should require the break-up, division or sell-off of any financial institution that, if it failed, could inflict major damage on our economy. No bank, hedge fund or any other financial institution should be in a position where it has to be protected by a taxpayers' bail-out, probably involving a huge amount of money, because if it fails—probably by its own recklessness—it wrecks the economy. That position of blackmail has to end.

That brings me on to the situation with hedge funds. If they fail, they risk the interests of taxpayers, too. In his speech, President Obama referred to the hedge funds and said:

> "If financial firms want to trade for profit, that's something they're free to do. Indeed, doing so responsibly is a good thing for the markets and the economy. But these firms should not be allowed to run these hedge funds and private equities funds while running a bank backed by the American people."

[Harry Cohen]

He emphasised that again when he said:

"Banks will no longer be allowed to own, invest or sponsor hedge funds, private equity funds or proprietary trading operations for their own profit unrelated to serving their customers."

That is the key point. We should adopt that as a policy and ensure that none of our banks is allowed to run hedge funds.

Hedge funds are completely private. There should be no public finance support or tax subsidy for them whatsoever. They can have their deals with the banks, but their owners should have no special ownership privileges, based on the fact that they are too big to fail. If the banks decided to take over Manchester United FC or Liverpool FC because the hedge funds could not meet their debt, then that is what they should do. My early-day motion 1185 of 23 March 2009 spells out that position.

The Chancellor has been wrong to elevate the hedge funds to a privileged position in our economy. In a number of speeches, he has called them "systematically important" but, as I have said, the hedge funds are private and generally unregulated and should not have such status. Basically, hedge funds are the corner shops of the banking and finance industries in this country. Corner shops are important, but we would not dream of saying that they were systematically important to the economy. The Chancellor has got it wrong.

I do not agree that the hedge funds should be considered systematically important, and we are out of step with the US in that regard. We are also out of step with the European Commission, which issued a draft directive on alternative investment fund management in response to the revelation that the alternative investment finance sector managed some £1,900 billion in assets at the end of 2008. The directive is aimed at trying to regulate those hedge funds, but it was blocked by the UK Government. I am disappointed about that.

Angela Merkel has been quoted as telling the Bundestag:

"I work well with Gordon Brown, but his one-off tax on bankers' bonuses is only half as good an idea as the hedge fund rules we are considering and which Great Britain ought to approve. That is what we must fight for and I am expecting some support."

I agree with Angela Merkel on that. Another report stated:

"The key issue holding up a compromise deal was disagreement over the conditions on which funds and fund managers based outside the EU—including London-based managers running offshore funds—should be allowed to market to professional investors within the 27-country bloc."

Clearly, our Government are trying to protect offshore hedge fund interests, and I do not think that they should. It was right in yesterday's Budget to apply those agreements to Dominica, Grenada, Belize and all the other offshore places, but we need Europe-wide regulation rather than individual agreements. We need to get back in line with Europe on that.

The Government argue that action should be taken through the G20, but that is a weak argument. The G20 should be involved in regulating the hedge funds, but we should establish that regulation with the strength of EU agreement. It feels as though the Government's position is one of delay, deferral and procrastination, in order to defend the hedge fund sector. I do not agree with that.

In mentioning the importance of accountability and transparency for investment funds, I have the opportunity to refer to a Bill that I had proposed to bring to the House; I will not have a chance to do so, because I am standing down at the election. Let me read it into the record, because it is an example of where we should be going on the issue of greater transparency. I call it the investment funds, endowment and pensions funds transparency Bill. It says that

"every Company, Business or Authority responsible for an investment, endowment or pension fund shall publish annually, and have available for any investor or beneficiary of that fund who requests to see it, a full list of investments in that fund over the last year of the Annual Report period, together with a list of changed investments over that year with an explanation of why each was changed. Any investment transferred to, or from, a fund in which any Director, manager or major shareholder in the business has a stake must be separately listed and the Director, manager or major shareholder's interest specifically explained."

That would stop directors, managers and major shareholders ripping off investors in those funds. That is the sort of transparency that we should provide. I am sad that I will not get to introduce that Bill, but I am pleased that I have been able to refer to it and put it on the record.

My second point on transparency is about non-executive directors on boards of banks. I raised the issue of transparency and accountability at a meeting of the parliamentary Labour party, and the Chancellor mentioned that we would look at getting other people on the boards of banks to uphold the public interest. However, the Government have backed away from that. I am sad about that, because if those organisations are systematically important, as the Chancellor says, there should be a person directly on the boards of banks and hedge funds with a mandate to represent the public interest, keep control and whistleblow when dangerous speculation is going on. I hope that a future Government will come back to that idea. I have concentrated on those measures because they are a lot to have left out of the Budget, but they are still vital if we are to run a coherent economy.

The deficit is the pre-eminent issue, and will be in the election, too, so the issue clearly must be addressed. I am proud of my role in tackling the deficit. I was the first in the parliamentary Labour party to call on the Chancellor and the Prime Minister to adopt a Keynesian policy. They listened and did so, and it has saved thousands of jobs. We would be in much greater deficit, and in a much greater crisis, if the Government had not followed that policy, and I pay tribute to the Chancellor and the Prime Minister for doing what they did. Of course, the deficit has to be tackled, but over a period, reasonably, and without putting the economy and recovery at risk.

Here are some of my suggestions. First, we must recover every single penny handed out to the banks, plus interest. I was pleased that the Chancellor included that point in his speech; I pay tribute to him for that. We have not heard the same commitment from the Tory party. I suspect that that is because the Tories want to sell off the state interest in the banks—other financial institutions as well, but banks in particular—as soon as the profits start to flow again. That money would not come back; the taxpayer would be sold short.

Kelvin Hopkins: Would it not be a good idea to keep all the publicly owned sectors of the banks in public ownership, so that we could retain all the income derived from those banks?

Harry Cohen: Absolutely. The only reason why the banking sector is in existence is because of taxpayers' investment; it would have gone completely flat otherwise. If we are to solve the deficit problem, those profits, instead of going into the big bonuses of bankers, should come back to the taxpayer.

My second suggestion for a tax boost is the Robin Hood tax, and I pay tribute to the Prime Minister for promoting it. I have an e-mail from Jonathan Tench of Oxfam, who says that the bank levy

"is an important step in the right direction",

but that it

"does not match the scale of resources required to tackle the deficit in the UK or provide enough resources to tackle global poverty and climate change."

He says:

"A Robin Hood tax, set at an average rate of 0.05 per cent. would raise up to $400 billion annually, resulting in tens of billions of pounds in revenue for the UK. In order to meet the scale of the financial challenges the UK and global economy faces, a financial transaction tax is by far the best option on the table."

I agree, and we should press very hard for that Robin Hood tax.

I agree also with my hon. Friend the Member for Luton, North (Kelvin Hopkins) about eating severely into tax avoidance, which costs us dear. He gave some amazing figures, and in a recent TUC report, tax consultant Richard Murphy looked at the amount that is lost to the UK taxpayer by the use of tax havens in Jersey, Switzerland, Isle of Man and Guernsey. The report stated that

"the TUC estimates that the total tax loss last year from UK residents (without non-domicile status) holding assets to avoid and evade tax is at least £4 billion."

and that money should clearly be returned to this country.

We must then deal with our skewed subsidies. I shall cite the TUC again, because it has provided some terrific information that the House should take into account. It points out:

"Taxpayers are paying £2.50 for subsidising the pensions of the richest 1 per cent. of the population for every pound spent on paying pensions to retired public servants such as nurses, teachers and civil servants".

Kelvin Hopkins: On that point, another estimate from the figures that I gave is that the top 1 per cent. of earners—just the top 1 per cent.—receive on their savings tax relief that costs the Treasury £9 billion a year.

Harry Cohen: That is the point that I am making: there are savings to be made. The TUC report states:

"Tax relief is heavily skewed towards the better off. Treasury figures reveal that 60 per cent. of tax relief goes to higher rate taxpayers, including nearly £10 billion a year…to the top 1 per cent. of earners, those on more than £150,000 a year."

On those skewed subsidies, the TUC also said that the Government could

"raise £10 billion a year by capping the amount of tax relief that can be claimed by those earning more than £100,000 a year at £5,000".

Indeed, the TUC's analysis shows that

"just 3.1 per cent. of the taxpayer population receive 31 per cent. of all tax relief, averaging £18,750 a year".

It compared that with people earning just below £100,000—between £70,000 and £100,000. They receive on average £4,500 in tax allowances, so it would not be unreasonable to cap tax relief at £5,000 for people earning more than £100,000. As I have said, it could save the taxpayer £10 billion a year. I see no reason why we should not do that well ahead of public service cuts, which would hammer the poorest people in our community.

We can make other savings, too. First, next year we will spend another £5 billion on the war. I do not think that that is worth it; the British people do not want it. I pay tribute to the soldiers, who are tremendously brave—indeed, some have lost their lives, and that is a great tragedy for their relatives and friends—but it is a futile war for all sorts of reasons. We should not be engaged in it; we should have been discussing with the moderate Taliban how they can govern their country with the existing Government. Given our current situation, we cannot afford to spend £5 billion a year on that war. We have to settle it, and any future Government must settle it immediately.

Secondly, there are the costs of nuclear weapons. I agree with the Liberals about Trident, but they are mealy-mouthed, because they keep using the phrase "like for like". They are not really about scrapping nuclear weapons and making those savings. In fact, if they got into government—I suspect that this applies to the Tories as well—they would abandon the Trident replacement and put nuclear weapons on aeroplanes instead. That would be incredibly dangerous for the world situation, and it would not save that much money either.

Then there is the issue of expanding nuclear power. That is an immensely expensive road to go down, and our Government are encouraging it all around the world as well. Only this week, there was a headline in *The Daily Telegraph* about the risk to this country from a dirty bomb. I do not think that that has been properly taken into account in the argument about nuclear power. In any case, the nuclear industry cannot be expanded without massive public subsidies. That is not appropriate in our financial situation, notwithstanding the fact that we have an energy crisis, which is best dealt with by expanding the renewables sector, as well as making important energy savings.

We also need to look more closely at the oil industry, which has made huge profits and benefited from a deal at the beginning of each Parliament. When oil and petrol prices went up, the industry made huge profits that were not handed back to the British taxpayer.

A future Government will have to return to the issue of privatisation and private finance initiative contracts. We are paying in excess of what they are worth: London Underground is a great example of that. In future—in the health sector, for example—we will increasingly be paying large amounts in exchange for nothing at all. That is wrong, and it needs to be revisited by Government.

Those are some suggestions on cutting the deficit that should come ahead of public spending cuts. My hon. Friend the Member for Luton, North is right: there is still a great need to spend Government money to do things out there. I draw attention to just one of those areas—child poverty. We have made a commitment—indeed, we have passed an Act—that says that we want

[Harry Cohen]

to abolish child poverty by 2020, but that will not happen unless the Government back up their commitment with further spending.

This Government have done a great job with Sure Start and the child tax credit. Those things would be at risk under the Conservatives. Indeed, we know that if the Conservatives got into a coalition with the Liberals, the child trust fund would also be at risk, because the hon. Member for North Southwark and Bermondsey (Simon Hughes) made it clear that that is Liberal policy. Those things are vital to help young people to have a future and get out of poverty.

The Government need to do more about the level of benefits, including jobseeker's allowance. The TUC says:

"Increasing JSA by as little as £10 a week would make a real difference to millions of families."

That would help to bring people at that level out of poverty. The other big factor in tackling tackle child poverty is equal pay—that could make a huge difference. We have closed the gap, but far too slowly. A future Labour Government must do more on equal pay. As an employer themselves, they should be driving down the road of equal pay and forcing employers to do so.

Whatever the issues in the election, in future Parliament will have to return to the issue of equality. We do not want a party, such as the Conservative party, to be elected as a Government who would actually laud inequality and enhance it further.

3.44 pm

Mr. John Randall (Uxbridge) (Con): It is a pleasure to follow the hon. Member for Leyton and Wanstead (Harry Cohen), who made what I guess was a valedictory speech, like that of my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton). The House will miss them.

I am not quite ready for the concept of the hon. Member for Leyton and Wanstead as one of Parliament's saviours through advising the Prime Minister and the Chancellor, along with President Obama, the Chancellor of Germany and others. However, I am prepared to see him as Robin Hood.

First, I declare my interest as a director of the family retail store in which I am also a shareholder. The details are in the Register of Members' Financial Interests. Normally, I try not to speak in the Budget debate because I know that interests outside this place always attract the attention of the media and Labour Members. However, having been involved in retail since 1979 and even before that, I must speak now because I want to tell the House what it is like out there on the high street.

We have had history lessons from various hon. Members. I shall be brief, but I want to say that my business has existed since 1888. Even in my time, the cycle—the way things come around—is one of the things one learns. Budgets always used to come at Easter time, as they still do, and I remember as a child sitting in a car on a windswept sea front, often in Wales, on our Easter holiday, with my father listening to the Budget on the car radio. My father was a wonderful man, but I knew that after any Budget, particularly a Labour Budget, it would be wise not to go near him for about 12 hours—possibly 24 hours after a Labour Budget—because Governments never seem to understand businesses. They talk about them, but they never really understand.

We have been talking about history—the hon. Member for Leyton and Wanstead gave a vignette from a past era. I can remember hearing about the selective employment tax and asking my father what it was. He explained it to me. Younger Members may not realise that the Labour Government imposed a tax which meant that every business was taxed on the number of people it employed. We all understand today that that was not an incentive for job creation. I still believe that Governments, particularly Labour Governments, do not understand what is going on.

Other hon. Members referred to the balance of payments and the fact that it does not seem to be mentioned in the media nowadays. We seem to have gone past all that, perhaps because of globalisation.

The Budget will disappoint people in business. Business, not Government, creates jobs. Government can try to devise schemes—as has been said, many schemes involve creating jobs for people who like to be on schemes, not real jobs in real businesses. I am thinking of people I know very well—my employees. Some of them have been with us for many years, and we have members of same family working for us. They are hard-working, loyal people, but they cannot necessarily get the benefits of those on low incomes. They are not well off, and measures in the Budget, such as freezing allowances and the provision on national insurance will make them worse off. They are struggling to keep their families going and enjoy a reasonable quality of life. There are masses of such people around the country, and they are forgotten. Those hard-working people are just above the thresholds for help from the Government or from various schemes. I want to speak about them because I have every sympathy for them, and I wish that economic conditions were better so that I could pay them what they deserve. The hon. Member for Leyton and Wanstead talks about socialism. When I started examining the business, I learned socialism is a great idea which simply does not work in practice. In a previous recession, we decided that we would take a pay cut. Every member of staff and I took a percentage cut. However, that was not actually fair, because someone who worked flipping hard and had a family to bring up took exactly the same cut as someone who might well be described—frankly—as a passenger. That is why I decided that that model does not work. I wish it would, but humanity is not designed for socialism.

Harry Cohen: I appreciate the hon. Gentleman's homily and I do not disagree with some aspects of it, but does he acknowledge that in certain circumstances, such as those we recently experienced, capitalism does not work either? If it had not been for quasi-socialists coming in and saving the capitalist system—to put it kindly for my colleagues on the Front Bench—it would have collapsed by now?

Mr. Randall: Excesses of any ideology are bad and wrong. I am a pragmatist, and I think we should just get on with the way we live our lives, and not adhere strictly to such ideologies, so the hon. Gentleman is right in one way.

My hon. Friend the Member for Sevenoaks (Mr. Fallon) made a wonderful speech—it was short and to the point—and we should take a great deal of encouragement from, and listen to, his expertise. I think people want us to recognise the problem that we are facing and to say how we are going to sort it out. I put this question to those on the Treasury Bench: can they look me in the face and say they would have delivered the same Budget if an election were not looming? That is the honesty that I would like. If there were another two years of this Parliament to run—God help us—they would not have delivered that Budget. We would not have been told, "We'll come back to the problem in a couple of months." That is the disservice that they have done not only to the country or businesses but to every person in the country.

I received a letter today from Mr. Robert Fowler, managing director of Maygray in my constituency. His business rates bill has obviously just arrived, and he wanted me to know that there has been

"a 20 per cent increase over the life of this government and a 12 per cent increase over the last year"

in his rates. That is the reality that businesses face. We in this House can all pontificate and talk about the wonderful schemes, but the reality for most people is far different. I am afraid to say that many in this House have no idea about business—I would say that many have no idea of the real world, but that would be unfair, because we all return home to the real world every night—and that knowledge of what makes business work is an increasingly rare commodity here. Mr. Fowler asked me what I would do if the bank manager came to me and asked what I was going to do about my overdraft. If I followed the Chancellor's advice, I would say, "I'll write you a cheque. Will that sort it out?" It would be as simple as that.

Last Friday, I visited Hale Hamilton Valves, a business in my constituency. I have travelled past its premises nearly all my life, which are known mostly in my area for the wonderful magnolia that comes out at this time of year—everybody recognises it. The business, which makes valves and things for submarines, is wonderful. The people at that firm told me about the difficulty they had in getting people in as apprentices, because that sort of work is not recognised. For all that we welcome the university places—although, as my hon. Friend the Member for Tatton (Mr. Osborne) said, funding for those is for only one year, which seems slightly pointless—the Government could do something just by increasing the status of engineers and technical qualifications.

We have heard about the banks today. Many people have complained to me that they are not getting the finance that they need, despite the taxpayers' money that has been put into the banks, but my business has been lucky. I pay tribute to bankers—not to those who were the architects of the problems but to the ordinary people working in banks. Like people in this House, people who work in banks have received a great deal of abuse. I have heard about that from various friends and acquaintances and from my bank manager, who says that he does not want to go down to the local pub because he will get all the banking jokes—and we can all recognise some similarity with our own position. I would like to thank people who work in banks, who have been very supportive but whose own jobs are under threat because of the actions of some.

I have some good news. The London borough of Hillingdon, where I have lived all my life, was almost bankrupt, but the Conservative administration has turned it round. It can be done, and Conservatives can do it. With all sincerity and from the bottom of my heart, I pray that this is the last Labour Budget that I have to endure for a long time. This Prime Minister, both as Prime Minister and as Chancellor, will—if we have any more of this wretched Government—have achieved what two world wars, the great depression and many other things that my company has faced over the century could not, because we cannot continue in this environment any more. It is no good saying that people are exaggerating: businesses are on their knees because of this Government. We wanted a Budget, but we got a fudge-it.

3.58 pm

Mr. William Bain (Glasgow, North-East) (Lab): It is a pleasure to follow the hon. Member for Uxbridge (Mr. Randall). Like me, he came to the House as a result of a by-election. I believe that his was towards the beginning of a Parliament, while mine was towards the end of this Parliament.

This is my first Budget debate and I wish to pay tribute to those right hon. and hon. Members for whom this will be their last Budget debate. I thank my hon. Friend the Member for Leyton and Wanstead (Harry Cohen), my hon. Friend the Economic Secretary to the Treasury, who will speak later and the hon. Member for Macclesfield (Sir Nicholas Winterton), who made an exceptional speech. He had an alternative economic policy and a strategy for jobs and manufacturing—indeed everything that was missing from the speech by the shadow Chancellor. To coin a phrase used by the Leader of the Opposition, the shadow Chancellor today was an analogue shadow Chancellor for a digital debate.

I also wish to thank my right hon. Friend the Member for West Dunbartonshire (John McFall), who spoke in the debate yesterday. It was a pleasure to listen to his valedictory speech. His work as a Minister and as a two-term Chair of the Treasury Committee has made a huge difference on issues such the regulation of credit and the banking sector and, on this side of the House, we will miss his contributions greatly.

This is a good Budget for Glasgow, Scotland and the UK. It prepares us for the new jobs upon which our future economic prosperity will depend; it sets the country on a path of fiscal consolidation that will not be damaging to growth, employment or our social fabric; it protects vital investment in the front-line public services on which we rely; and in its fiscal measures it reflects a greater sense of fairness.

A few weeks ago, I had the opportunity to read a book by the Nobel prize-winning economist, Joseph Stiglitz, entitled "Freefall". The book argues that economic growth in both the United States and Europe remains anaemic, and given forecasts for private sector growth, and in the absence of continued Government support, there is the risk of continued stagnation. He emphasises that growth is too weak in the private sector to return unemployment to normal levels soon.

When Professor Stiglitz visited London recently, he said that the debate was really about the economics of Keynesianism against the economics of Hooverism.

[Mr. William Bain]

and there is further support for his arguments in the recent OECD economic outlook report published on 27 February. It states:

"In the major advanced G-20 economies there will be a need for continued policy stimulus until private demand gathers sustainable momentum, as the recovery will remain sluggish and fragile".

It continues:

"Fiscal policies need to remain supportive of economic activity in the near term, and the fiscal stimulus planned for 2010 should be implemented fully. The fiscal impulse should start to be withdrawn in 2011."

It concludes:

"Unwinding stimulus too early could jeopardise progress in securing economic recovery".

I agree strongly with that approach.

Let us look at what has been done in the 18 months since things went badly wrong for the economy in 2008: the Centre for Economic and Business Research has stated that quantitative easing has added about 2 to 3 per cent. to gross domestic product; the automatic stabilisers that have been introduced have given, and will give, a fiscal boost of 4 per cent. in the next tax year; and it is estimated that the fiscal stimulus in the 2008 pre-Budget report prevented GDP from falling by 0.5 per cent. in 2008-09. Furthermore, today, at its lunch-time seminar, the Institute for Fiscal Studies downgraded the structural deficit and said that it is now £67 billion rather than £73 billion. I support the Government's efforts to get the deficit down to 5.9 per cent. of GDP by 2014-15. Doing it that way is right and does not sacrifice jobs. Let us also consider the record of all the G7 nations: the UK has the most ambitious deficit reduction strategy. It is more ambitious than that of Germany, Canada, the United States, Japan, France and Italy.

One of the key reasons why I stood for office was to tackle unemployment, and I am pleased that in the UK, at 7.8 per cent. unemployment is 2 per cent. lower than in the eurozone and 2 per cent. lower than in the United States. However, my constituency has suffered from an increase in unemployment in the past 12 months—it has risen by 901—so the measures on extending the jobs guarantee for 18 to 24-year-olds until 2012 are particularly important. Two weeks ago, I met about 20 young people in the Royal Strathclyde Blindcraft Industries factory in Springburn in my constituency. They had all come off the unemployment register thanks to future jobs fund investment, they were all learning a new set of skills in manufacturing and construction, and they had all had their lives turned around. They will be a great asset to Glasgow's economic future.

Tomorrow I am hosting a jobs summit in my constituency, bringing together businesses, trade unions, CBI Scotland, the local chamber of commerce and public sector employers, as well as voluntary and third sector employers, because the challenge that we face in diversifying our economy is one that neither the private sector nor the Government can face alone. Rather, this must happen through the public and private sectors working together. That is why the role of the new green investment bank in driving future growth and employment in environmentally sustainable industries, with a £2 billion investment, is so crucial. I know that in Scotland, with offshore wind and investment in the digital and creative industries, the scheme will create thousands of new jobs. The Government therefore have a role in recalibrating our economy; they cannot simply stand aside and set a fiscal framework. A decent society needs an active, but not an overpowering state.

If we maintain the current course, I hope that the UK will be able to match the levels of investment in research and development that countries such as South Korea, Germany and Sweden reached in previous decades; because it is through high-level manufacturing, the creative industries and low-carbon technology that we can permanently replace some of the output that was lost in the recession. My right hon. Friends the Prime Minister and the Secretary of State for Scotland recently visited the Allied Vehicles plant in my constituency, which is involved in manufacturing zero-carbon vehicles powered by electricity. I welcome the fact that the Budget increases capital allowances for forward-looking companies such as Allied Vehicles, which employs 350 people in an area of economic deprivation in Glasgow, North-East.

I also welcome yesterday's publication of a document by the Treasury on progressing towards the 2020 target of abolishing child poverty, which puts the role of work and making work pay at centre stage. There are 500,000 children in this country who are out of poverty because of the policies followed by this Government, while around 9,500 families in my constituency benefit from child tax credit. The increase of £4 a week in child tax credit for families with a one or two-year-old child will help around 65,000 families in Scotland. Across the UK in 2007 and 2008, there were 700,000 children in low-income families where only one adult was in work, while 43 per cent. of children were in families described as "working poor". There is therefore much to be done, through increasing employment opportunities of the kind that will help families with child care responsibilities and ensuring that people are demonstrably better off in employment than on benefits. A rising minimum wage over the next five years would greatly assist in that too.

This is a Budget that I hope will have the support of my colleagues on the Labour Benches on Tuesday, and I hope that all of us will argue for the support of the country for it in the coming months.

4.8 pm

Bill Wiggin (Leominster) (Con): I was delighted to listen to the speech by my hon. Friend the Member for Tatton (Mr. Osborne), who opposed the duty on cider. That is exceptionally important, because cider has been a success story and has a tremendous history of growth in recent years.

Herefordshire is the country's cider-making heartland. The United Kingdom produces around 130 million gallons of cider a year, and half of that comes from Herefordshire. One billion pints of cider are sold every year. There are tremendous environmental benefits to cider production: 2 million new apple trees have been planted since the mid-1990s, with 9,500 acres of cider orchards in Herefordshire. Forty-five per cent. of the apples grown in this country are used for making cider. There are more than 1,000 people directly employed in cider making and 5,000 indirectly employed. There is a wider value to the rural economy.

Mr. Randall: As my hon. Friend knows, I am a great supporter of cider, and I have noticed from some of the bottles in this place that the Wildlife Trusts are working

in conjunction with cider makers because of that advantage to the environment, which I hope will not be lost with the increase in tax.

Bill Wiggin: I am grateful to my hon. Friend for that intervention, and I congratulate him on the excellent speech that he made earlier. He is right to point out the benefits of orcharding, as it is called, and to say that the habitats that can be created in cider orchards are enormously environmentally helpful, positive and creative. Some wonderful and very rare animals and, particularly, beetles can only be found living on apple trees. And where would we be without mistletoe at Christmas time? Most of that comes from Herefordshire and Worcestershire. It is not possible to grow orchards quickly; they take years to mature. They can also take a variety of forms, including bush orchards and standard orchards. I hope that this savage increase in duty—10 per cent. above inflation, making a total of 13 per cent., which represents a disproportionate attack on the industry—will not have the undesirable effect that my hon. Friend has mentioned.

I want to talk about the fragility of the cider market. Hon. Members will remember the golden days of cider being triggered by the Magners television campaign, which encouraged people to add ice to cider. That resulted in a tremendous lift across all the different brands, but the industry is still fragile, as is its growth. Many of the new producers are hobbyists, or small producers who are expanding, and they need to be supported, not forced to bear the brunt of the Government's tax plans.

It is a great shame that the Government have chosen to penalise this industry. Duty on cider has increased by 20 per cent. in the past two years, and it is now being increased by a further 10 per cent. over and above inflation, making a total of 13 per cent. The lower increase in duty on beer will always adversely affect cider sales, as there is a substitution effect. That is not the case, however, when it comes to making cider.

People think that the way in which cider is made involves taking the apples and crushing them to press the juice out, then fermenting the juice, preferably in oak barrels, until it is fully fermented. It is then aged, bottled and sold. The process is very different, however, for the own-label white cider sold in supermarkets. The alcohol is created from sugar-type syrups, and the alcoholic liquor is then mixed with apple juice, apple flavouring or apple concentrate. It can then be sold as cider. It is that highly alcoholic, low-cost drink that is causing some of the antisocial behaviour problems that bother us all, and it is a great shame that it carries the name "cider". The fruit juice content is the key difference between the two.

I hope that whoever forms the next Government will stop attacking people who make cider out of apple juice in the traditional way, and focus instead on the problem drinks. My local policeman told me that he had seen young people in supermarkets turning bottles round to read the label, to ensure that they were getting the most units for their money. For them, it was not about what it tasted like; it was about what it did to them. That is not the sort of cider that I am talking about, and it is not the sort of cider that Herefordshire makes. The white cider known as Frosty Jack's is not produced there.

The Government should focus their attention on dealing with the antisocial behaviour issues and stopping young people—and, perhaps, older people—drinking white cider and getting into a terrible state.

Simon Hughes *rose—*

Bill Wiggin: I shall give way to the hon. Gentleman, whose mother I believe used to live in Herefordshire.

Simon Hughes: And who moved to Herefordshire himself at the age of 18.

The hon. Gentleman will know that there is broad support not only across the House but among people with a Herefordian connection as well as those in the west country and elsewhere for his views on the importance of not giving cider a bad name unjustifiably, and of not treating a fragile and valuable industry unfairly. The cider industry has clearly been picked out in isolation from all the alcohol producers in this country. We will all want to persuade the incoming Government that the proposed change should not be sustained, and I hope that it will be able to be reversed in the near future.

Bill Wiggin: I agree with the hon. Gentleman, and I was encouraged by the comments of my hon. Friend the Member for Tatton when he said exactly what the hon. Gentleman would have wanted to hear—namely that this across-the-board attack on the cider industry is not supported on this side of the House. My next-door parliamentary neighbour, the hon. Member for Hereford (Mr. Keetch), also speaks strongly for the cider industry, so it is a shame that he is not in his place today. He will be leaving the House at the next election, so I hope he will use this particularly vicious attack on our constituents as an opportunity to speak in this debate before next Tuesday.

I would like to talk about something that happened last week. The Minister for Housing, the right hon. Member for Wentworth (John Healey), who I believe is the Government's pubs Minister, announced on 18 March 12 action points designed to support struggling pubs. Only a few days later, however, we see his Government attacking the key product that pubs are supposed to sell. It defies belief. We are losing five pubs a day. These duties will have an impact on the sale of cider.

I received an e-mail this morning from a publican in my constituency who runs the Crown inn at Woolhope, which prides itself on being one of the homes of Herefordshire cider and perry, stocking 18 types of cider all produced within 15 miles. This is locally produced cider being sold in a local pub to local people. That is the sort of model of sustainability that supports rural economies. It is something that the Government say should be encouraged, yet as soon as they get the opportunity, they torpedo all those good intentions with this savage increase in duty. That puts at risk the cider producers and apple growers, as well as the cider industry's strong and worthy efforts to improve not only environmental sustainability and local pubs, but higher standards of responsible drinking.

At the start of his statement yesterday, the Chancellor of the Exchequer said:

"At the heart of our decisions is a belief that Government should not stand aside, but should help people and business to achieve their ambitions."

[Bill Wiggin]

What hollow words! This Budget and the cider duty increases do not correspond with those comments. The Chancellor also explained why this was being done:

> "A long-standing anomaly has meant that cider has been under-taxed in comparison with other alcoholic drinks." [*Official Report*, 24 March 2010; Vol. 508, c. 249-256.]

This, unhappily, ignores the far higher costs involved in producing cider and the considerable environmental benefits generated by the cider industry. It is a tragedy that the Chancellor has gone down this route.

There is another message here, too, for those in the beer industry. I hope that the House will remember that large numbers of hop growers also live in my constituency and do a tremendous job at a time when there is a great deal of pressure from the brewers to use less and less hops and to choose hops with higher alpha acids. The industry—whether it be brewers or cider makers—decided to fight among themselves about duty and as soon as the Government saw division, they nipped into the gap and increased the duty not just, aggressively, on cider, but on beer, which is a great shame.

Let me touch on binge drinking, too, as the high-strength, low-fruit-content ciders are deeply associated with this problem. The overwhelming majority of ciders are not beverages used by binge drinkers and the country's unique, traditional and responsible cider makers should not be punished for this behaviour. I think that if these cider makers lived in Labour marginal seats, the difference in the Budget might have been considerable. I hope that the Government will reconsider. I hope that, in the years to come, they will realise that attacking a British industry run by British producers for British consumers in British pubs is a very silly and sad mistake to have made.

Let me touch an another aspect of the Budget that I noticed—the proposal for a green bank to deal with green issues. At a time when bankers are, let us face it, not popular, it is extraordinary that the Government are acquiring yet another bank. They have bought RBS and Lloyds, they have taken on a nationalised Northern Rock, and now they want another bank. I believe that Post Bank, which was promoted yesterday, will be the Government's fourth. I am very happy to see green businesses supported—I am a passionate environmentalist myself—but I do not understand why the Government want to own more and more banking businesses.

If the Government really wanted to promote environmental issues, they could start by cutting red tape and ensuring that industries that are exceptionally environmentally friendly, such as cider making, are protected. They could deal with the microgeneration certification scheme, which is affecting green energy suppliers. They could also help farmers to produce more on-farm renewable and low-carbon energy. There are 2,500 on-farm anaerobic digesters in Germany, and only about 30 in England.

One of my constituents tells me that he wants an anaerobic digester on his dairy farm and has invested in one, but he needs help from Advantage West Midlands. It wants to help, but it is bogged down in red tape. Regulations and red tape from DEFRA cost about £530 million, and prevent farmers from expanding into the low-carbon energy sector. After a decade of Labour, barely 2 per cent. of the energy used in the United Kingdom comes from renewable sources. That is a record that the Government will leave behind. They should be supporting jobs and the rural economy by making it easier for businesses to invest.

Labour's claims to support green technologies are inconsistent. The rate of duty on liquefied petroleum gas, a fuel that the Government should be encouraging more people to use because it is cleaner, has spiralled upwards in recent years. In 2005, it stood at 9p per kilogram. It has already trebled to 28p, and will rise further to 30.53p on 1 April, to 31.95p in October and to 33.04p on 1 January next year. Over six years it will have risen by 367 per cent. That is really not the best way in which to promote clean alternatives. The Government are sending a mixed message on green jobs: in March last year the Prime Minister promised to create 400,000 of them, but by the time of the Labour party conference the figure had fallen to 250,000.

The real problem for businesses is the ability to borrow. The Government have increased the target for the amounts that banks should be lending to business, but the lending is not happening. During the current economic downturn 27,000 businesses have gone under, and lending is a problem for businesses in my constituency. Last year I arranged a meeting between banks and businesses, at which it was made clear that there was a problem. The banks themselves say that they would like to lend—especially to farming businesses, because the collateral in the land value is good—but they cannot take the risk unless a business has a long track record. The reason, they say, is that other banks will not lend the money to them. Liquidity is a real problem at present, and the Government will not solve it merely by creating new banks.

Broadband is another example of rural communities being badly left behind. Towns and villages in my constituency that are not connected are suffering. Only 58 per cent. of households in the rural west midlands have fixed broadband connections. According to the Commission for Rural Communities, 42 per cent. of rural England can currently only access speeds of 2 megabits per second or below. I have written to Ministers, whose answers show that the Government have no idea of the percentage of business and residential properties in Herefordshire without access to the 2 megabits per second envisaged in Digital Britain. I met representatives of BT the other day to discuss the issue, and they were keen to help, but BT is a business too. It has shareholders, and faces challenges of its own. I am extremely worried that the Government's policy will not work.

Lingen currently has no broadband provider. A company called QiComm used to provide it, but can no longer do so because the service is not commercially viable. Members of the community joined forces to get a service up and running themselves, with the support of the local council. There are 36 users, whose broadband service will be operational from 1 April. That demonstrates what can be done when users get together. However, if they are to pay tax on their phone bills, they will be paying for something that they used not to have but went out and acquired for themselves. I do not think that the Government's 50p tax on fixed-line telephones will deliver the changes that we would all like to see.

The Government have spent hundreds of millions of pounds on bailing out the banks. Businesses will want to know why that hard-earned taxpayers' money is not filtering through the system and reaching them. We heard plenty about the car industry in the Budget statement, but I have not forgotten what happened in the west midlands before the last general election. The Longbridge plant was failing, and vast quantities of taxpayers' money were poured in. That was before the Phoenix four story broke. I therefore have grave reservations about what the Government have promised in the Budget. I am particularly sad about what they are going to do to the cider industry—a fantastic industry that was doing so well, and which has been dealt nothing short of a body blow by this attack on it by the Labour Government.

There are now clear dividing lines. The Government have demonstrated that they have no regard for the rural communities. The best description of the Budget that I have heard is that it is a Polo mint Budget: it looks all right around the edges, but there is the gaping hole in the middle of £19 billion in tax that needs to be raised. We heard nothing about that. It was a Budget designed for an election campaign, which, like the Budget, will fail.

4.25 pm

Mr. Charles Walker (Broxbourne) (Con): When I first entered this House five years ago, I do not think I was a very nice or pleasant person. The wonderful thing about Parliament, however, is that it knocks off, and smoothes, the edges, and I think I am a much nicer person now. I hope that the Secretary of State for Work and Pensions will return after the general election a nicer person. There have been some great contributions to this afternoon's debate, but listening to her speech was a bit like sucking on a lemon, chewing cotton wool and listening to someone dragging their fingernails down a blackboard all at the same time; it really did set one's teeth on edge. I think she should work on becoming a nicer person in the Chamber, because she is very nice outside it, and I think she will wear niceness very well inside it when she returns—as I am sure she will—after the general election.

This country faces some enormous challenges; we would be fools if we did not accept that. Borrowing this year is set to be £167 billion, and next year it will be a very similar sum. Our national debt is £1.3 trillion, and if we include off-balance-sheet liabilities it could be twice as much. These are therefore very uncertain and worrying times for our constituents and the businesses and organisations that serve them.

In uncertain times we, as political leaders in this country, need to bring as much certainty and clarity to what we do as possible, because the following is an example of what happens when we have uncertainty. Let me say, however, that I hope Labour Members will see that I am not making a political point.

Today, I received a letter from the chief executive of Hertford regional college. I shall read out only the highlights:

"We are currently anticipating up to 70 redundancies of management, administrative and support staff, which is likely to be followed soon by 10-15 lecturer posts. The main reasons for our problem are...The legacy of the fiasco over the Learning and Skills Council's mismanaged capital development programme for colleges, which meant we were unable to finish the Ware campus. This has left us with no reserves, debts of £12 million and the cost of having to maintain, mothball or demolish surplus buildings at Ware for which we have no need."

He concludes:

"Like many college Principals I accept the need for FE to bear its fair share of the coming squeeze on public sector spending. However, it's frustrating having to navigate such an over-complicated, fragmented and spasmodic funding and policy environment."

We did not give this college, or other colleges around the country, clarity. We said one thing and we then changed our minds, and we have put them in great difficulty. I therefore hope that after the next general election all politicians will, as far as is possible, try to stand by what they say and what they promise. I know that that is very difficult to do, but we really must try, because that is one of the best ways we can help both public and private sector organisations navigate what will be a very difficult few years.

We must also demonstrate high levels of fairness. There will be a war for public money, and a variety of well-funded pressure groups and organisations will bombard us with correspondence pleading that their area of interest is more deserving than others. I believe that the right hon. Member for Rother Valley (Mr. Barron) was the Chair of the Select Committee on Health for some time.

Mr. Barron: Is the Chair

Mr. Walker: The right hon. Gentleman is the Chair of the Health Committee. I can tell him that I am concerned that disease areas—admittedly deserving ones—that have well-funded lobbyists may crowd out those disease areas that perhaps do not have such a loud voice. I am chair of the all-party group on mental health and I know that for decades mental health has been underfunded and last in the queue. Things certainly have improved under this Government and it would be churlish of me to suggest otherwise, so here is my plea on behalf of mental health services. I am not going to ask for more money, because that would be unrealistic. However, perhaps we could keep what we have got, because we are doing good work with it, helping many millions of people who otherwise would not have been helped. I hope that after the general election, when the special interests come knocking, we will be fair and will listen to those voices that perhaps are not raised as loudly but are equally as deserving.

Of course, we also have a responsibility, as Members of Parliament, in this difficult time. We must have robust and searching debate. Many enormous decisions will need to be taken, but I hope that we will resist the temptation to get too partisan, too vitriolic and too personal. I freely admit that I was not a particularly nice person five years ago. [Hon. Members: "Oh, you were."] My colleagues are being very generous. I thought it was the done thing to stand here and make puerile comments to score points against the Government. I did enjoy doing that, but it did not get me very far—I am still here on the Back Benches—and it certainly did not advance the causes of my constituents and their businesses. We need to set a very good example in the next Parliament, because people will be looking to us to do the right thing for them, to make the hard decisions and not only to stand by those decisions, but give them the proper scrutiny and attention that they deserve.

[Mr. Walker]

I was asked to speak briefly because others wish to get in, but I should say that I am hugely optimistic about the future of this country. As I have said, I think we will have a very difficult few years ahead of us. The media like to talk this up as a near-apocalyptic five years, but I know that this country has, in the medium to long term, an enormously bright future ahead of it. I know that we are going to get through these dark times because we are all going to pull together and we are all going to do the right thing. We may not like it and it may be difficult for a period of time, but it would be ridiculous if politicians could not set out an optimistic vision for what will happen afterwards. No matter what side of the House we sit on, we all want to see our constituents become more prosperous, we all want to see them have great and better opportunities to advance their lives and achieve their aspirations, and we all want to see young people, of whatever age, have the very best education and the very best opportunity to pursue worthwhile careers, be they in the private or public sector. I know that we face great challenges, but I also believe that we have an extremely bright future ahead of us and it would be silly to suggest otherwise.

I wish to say one last thing as this Parliament draws to a close. I have had a cracking time representing my constituency of Broxbourne; we have had a lot of good times and we have had a few bad times, but it has been a fabulous five years. I have also had the honour of serving with some simply wonderful Members of Parliament from both sides of the House, who are real heroes of their communities. In the next week we will say goodbye to a number of them and in six weeks' time we will say hello to perhaps another 300 colleagues, but this is a great Parliament to work in. Despite what has happened over the past five years, it is full of the most honourable people and it has been an absolute privilege to call them colleagues.

4.34 pm

Mr. William Cash (Stone) (Con): My hon. Friend the Member for Broxbourne (Mr. Walker) modestly said that when he came here he was not a very nice person, but I do not agree with that at all. He has always been a very nice person and, more importantly, he has enormous integrity. I want to get that straight, because when he goes into this election, he can hold his head high for the simple reason that, from the Back Benches, he has been absolutely true to what he believes in. As I have said several times in the past month or so, we not only need radical reform in this Parliament but we need our Back Benchers to have backbone. That has been part of the problem.

Many of the complaints that have been made about the manner in which the system works, through the Whips and so on, do not take sufficient regard of the way that some of us have acted from time to time, for a variety of reasons, despite our general agreement with the policies, principles and attitudes of our parties. That applies across the House and in all parties, and I pay tribute to the hon. Member for Luton, North (Kelvin Hopkins) for standing out as a man of integrity. This is what makes a Parliament. We should not just get up and parrot whatever other people want to give us, by way of a broadsheet. We must get up and say what we really think, because our first duty is to our country, our second duty is to our constituents and our third duty is to our party's policies and programmes. Those sentiments are not mine but Winston Churchill's, and I believe them absolutely. I will do my best to continue in that manner after the next election if my electorate are good enough to return me to the House.

I want to talk about the truth in relation to two main matters, the first of which is the economy. The Economic Secretary to the Treasury is a sort of neighbour of mine, as he represents Dudley, South—at least, he is not far away—and I have had many exchanges with him, as well as with the Chancellor of the Exchequer and the Prime Minister, about what lies at the root of the Budget. Debt is what lies at the root of the Budget, and that will continue after the election whichever party gets into power. In an intervention on my hon. Friend the Member for Tatton (Mr. Osborne), I made a point that I have made several times in private meetings about the extent of the debt. I have pursued this issue since a debate on fiscal stability on 7 October 2008, when I began to compare the figures of the Office for National Statistics with the assertions that the Government were making about the true level of debt. I do not need to go through all the debates there have been on this, because I can say what I need to say very briefly.

The national debt, as asserted by the Government, even to date, is set to double to £1.5 trillion by 2014-15. That is £23,000 for every person in the country during the decade of weakest economic growth since the second world war, and the worst decade for the stock market since the early 1930s. That is the asserted level of debt, but the actual level of debt is truly alarming—I would call it frightening. Yesterday, I received a letter from the ONS confirming the actual amount of net debt against the background of what has been asserted. That letter is in the Library, so anyone can check it. It says that the actual net debt is more than £2.65 trillion, if we include all the hidden costs such as public sector pension liabilities, and is not the £1 trillion figure that the Government have, in my opinion, misleadingly presented. What that means for public expenditure and taxation is relevant because there is a balancing act between how much we will need to cut public expenditure and how much taxation is liable to go up. We will only be able to tell the British people the truth, if I might cite Winston Churchill yet again, he said to tell the British people the truth. If we tell the British people the truth, they will follow our lead, but I do not believe that that has been done and the consequences will be very serious for whichever party wins the next general election. I firmly believe that my party will do so, but these figures will not go away.

The Fiscal Responsibility Bill, which I described as a Bill for fiscal irresponsibility, will do absolutely nothing about those figures. I believe that that Bill has been enacted now, and it is an attempt to reduce the deficit by half within the next four or five years. I am afraid that that will not deal with the level of real debt. When one speaks to the credit agencies and the people in the bond market, as I have, and asks what criteria decide what our rating will be in the international financial markets, they do not say that they are considering the accounting principles set by the Government. By the way, it is not just the Government—I have discovered today that these figures, according to the ONS, are agreed in

conjunction with EUROSTAT. In other words, these are European statistical formulas that have been adopted. I shall come on to that in a moment, because the bottom line is that the real figures are being fudged, not only here and in Greece but in every other country in Europe, if things such as public sector liabilities are not included.

The credit agencies and the bond market are not interested in the conjuring of accountants; they are interested in the bottom line. They will tell anyone that the real bottom line is the actual amount of debt, and Network Rail, the private finance initiative, nuclear decommissioning or public sector pensions cannot simply be magicked away. So when I speak about £3.1 trillion, which is a huge figure, with its consequences for public expenditure and the amount of money that people will have to be taxed, we have to be realistic; otherwise, we would not be telling the British people the truth.

Other problems arise from the speech that I heard from the Secretary of State for Work and Pensions. Already the issue of youth unemployment is a big problem that the Government have not done enough to resolve. Unemployment among 16 to 24-year-olds now runs at 19.6 per cent., and we heard only the other day about the problems regarding further education and the lack of confidence among those who know most about that matter. We heard during the debate on access to higher education that the problems for further education are recognised in that sector.

Unemployment among people at large—I am now referring to the International Labour Organisation's definition of unemployment—in October to December 2009 stood at about 2.5 million. That is 7.8 per cent. of all those who are economically active in this country. To that I would add the claimant count for jobseeker's allowance—that is, 1.635 million. In total, therefore, the unemployment figure that we should really be looking at is 4.1 million. We cannot ignore the reality of the figures, which are in the House of Commons Library research paper "Economic Indicators, March 2010". Employment among 16 to 24-year olds has fallen by 7.8 per cent., which is more than for any other age group, so young people are being badly served by this Government. Another factor is that the number of public sector workers has increased by 200,000 in the past two years.

As I am sure that people realise, when they think about it, not one penny of public expenditure does not come from the—hopefully reasonable—tax paid on income from private enterprise. That is the sole source of money for public expenditure. We all want reasonable public services: I am not against that at all, but the figures that I have set out are unchallengeable facts. They come from the ONS and the House of Commons research department. I am certain that the Minister will not attempt to challenge them from the Dispatch Box, but the picture that they paint is tragic.

The Budget does nothing to resolve the problems that the Government face. The problems are so deep that they will not be resolved by the policies produced yesterday. It is tragic, but the Government have failed and that is why, above all else, we have to get rid of them.

However, it is impossible to disengage the Government's failure from other difficulties. We know that the truth has not been told on debt, where the problems accumulated as a result of massive, irresponsible and extravagant public expenditure by the previous Chancellor, who is now the Prime Minister, when times looked good. He and his Government now face ruin for the mistakes that they made, but the difficulties go beyond what has been going on in the UK.

We had a debate on the Lisbon agenda in European Committee B only a few days ago. The hon. Member for Luton, North was also there, as was the Economic Secretary. I have attended many similar debates since that agenda was devised in 2000. Because of the European Communities Act 1972 and the slavish manner in which we fall in with most of the policies emerging from Europe, it is impossible to disentangle our policy making here from what goes on in Europe.

I think that the hon. Member for Luton, North will recognise that many of the problems also stem from the Maastricht treaty. He and I were the only two people in the House when section 5 of the European Communities (Amendment) Act 1993 was debated. We referred to article 2 and the aspirations embedded in the European treaties to produce high employment and prosperity for the people of Europe. It has all come to nothing: it is a total failure, and it has led to the rise of the far right and high unemployment. We are not immune, because we are seeing that even in this country.

Why have the British Airways people been on strike, and why are we seeing the beginnings of similar action in the railway industry as well? Those events are just indications of how the failure of the economy, connected with what is going on in Europe, is producing the tensions and uncertainty that are already undermining the people of this country.

Kelvin Hopkins: The hon. Gentleman flatters me when he speaks of my knowledge of the EU. I assure the House that his is much greater than mine, but does he agree that what is happening in Greece and some other countries—and Germany's insistence that they must deflate their economies—will damage the European economy? Does he also agree that if it is driven down, we could be dragged down with it unless we are very careful?

Mr. Cash: Indeed. The first moment I saw what was happening on the Greek front—it must be two months ago—I said in this Chamber that the Germans would not be able to meet the challenge that that presented, because the German people do not want to. We are talking about human nature and people, not just technical bits of accounting rules; one cannot fiddle with people. The Germans will not pay up, and if they do, there will be big trouble in Europe, because the problem will go from Greece to Spain, Portugal, Italy, Ireland and so on. The problem is inherent in the failure of the economic system of the European Union—a failure that those of us who fought the Maastricht treaty in the 1990s predicted. We were right then, and we are right now. The proof is before us. The proof of the pudding is in the eating and, my goodness, it is bitter eating.

There are serious problems, including immigration and the costs of the welfare system that arise from excessive immigration. The right hon. Member for Birkenhead (Mr. Field) and I, and many others, have got together to explain that over the years. The fact is that there are problems that can be solved only by

[Mr. Cash]

cutting immigration. I shall not go into that in depth, but the matter is so important that it ought to be mentioned in this debate.

I mentioned the question of what the European Union is achieving, or failing to achieve, and the disaster that it is causing to the people of this country. I want to quote from a European Commission document, "Europe 2020 Strategy":

"our GDP"

that is, the European gross domestic product—

"fell by 4 per cent. in 2009, our industrial production dropped back to the levels of the 1990s and 23 million people—or 10 per cent. of our active population—are now unemployed. The crisis has been a huge shock for millions of citizens and it has exposed some fundamental weaknesses of our economy."

It goes on:

"Even before the crisis, there were many areas where Europe was not progressing fast enough relative to the rest of the world: Europe's average growth rate has been structurally lower than that of our main economic partners".

It continues:

"Europe's employment rates—at 69 per cent. on average for those aged 20-64—are still significantly lower than in other parts of the world. Only 63 per cent. of women are in work compared to 76 per cent. of men. Only 46 per cent. of older workers (55-64) are employed compared to over 62 per cent. in the US and Japan. Moreover, on average Europeans work 10 per cent. fewer hours than their US or Japanese counterparts...Demographic ageing is accelerating."

It says:

"The combination of a smaller working population and a higher share of retired people will place additional strains on our welfare systems."

That does not include immigration. The European Union is taking over common immigration policy, so we will be bound into the legal framework even more than we are already. According to the European Commission, there are already 7 million illegal immigrants in Europe alone, and they are coming over here as well.

Then there is the question of over-regulation. Even the Secretary of State for Business, Innovation and Skills said, when he was a Commissioner, that 4 per cent. of GDP was taken up by over-regulation in Europe. I have not heard him say that with regard to what has been going on in this country since then. Over-regulation is a massive burden on small businesses, and the pathetic way in which small businesses are being treated was illustrated by the comments made by the Federation of Small Businesses yesterday or today.

There is a need for truth, and we are not being told the truth. The truth is emerging in the bursting of the dam. We see it in the case of Greece, in the high unemployment figures in this country, and even in the rise of the British National party. We see it in the fact that the people of this country are deeply disturbed by the way in which they have been governed over the past 13 years. The answer lies in good government, but it has to be government based on the truth. The truth that I have described, regarding levels of debt, and the fundamental weakness in our integration in the European Union when we could instead be an association of member states working effectively, cannot be denied.

Britain needs to wake up, and it will wake up during the election. When we get past that election and, I hope, have a Conservative Government with sound principles, including dealing effectively with the European Union in line with my United Kingdom Parliamentary Sovereignty Bill, which I hope will one day be enacted, it is essential that we restore to this House the power to decide what is necessary in the interests of our electors, and do not have it dictated to us by misleading statistics from the Government and misleading policies that have failed in the European Union.

4.55 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is a pleasure to contribute towards the end of this important debate about the Budget. I pay tribute to my hon. Friend the Member for Stone (Mr. Cash), who made an important point about the Government needing to wake up. This is an interesting Budget, but we needed to wake up during the statement itself, because the Chancellor's performance was so lacklustre. My hon. Friend also paid tribute to our hon. Friend the Member for Broxbourne (Mr. Walker), who began his speech by saying that he was not a nice person. I shall not comment on that, because he is a thoroughly delightful person now and a credit to his constituents, who I hope will see the light and ensure that he is back here in his place on the other side of the election.

My hon. Friend the Member for Leominster (Bill Wiggin) made an important contribution about apples and the taxation now hitting cider. I visited his constituency and saw how important that industry is. I represent Bournemouth in the county of Dorset and I know that, likewise, the industry is important there. I am sorry that the Treasury deems it appropriate to introduce taxation or changes to legislation without discussing them or properly thinking them through with other Departments, and that is a theme to which I shall return. I am sure that if the Treasury had engaged with the Department for Culture, Media and Sport, it would be aware of how wrong it is to tax all ciders, rather than those that contribute to binge drinking.

My hon. Friend the Member for Uxbridge (Mr. Randall) made one of the most succinct points of the entire debate. If the Economic Secretary to the Treasury is listening I shall repeat what my hon. Friend said, because he pointed to the Minister and asked, if an election had not been coming up in the next two weeks, would we have seen this particular Budget? *[Interruption.]* I shall repeat what my hon. Friend said, because the Minister is still talking. My hon. Friend asked, if the election had not been coming up in two weeks' time, would we have seen this particular Budget? The honest answer is absolutely not.

It has been interesting to experience this Budget debate far more closely than I have any other. The start of this ritual that we go through is a bit of a farce, partly because the Opposition and, indeed, the nation are denied the details until the debate gets going. That is a strange position to be in, considering that we, as Her Majesty's Opposition, are here to challenge and scrutinise what is going on. We then have to play catch-up during the debate in order to work out what the Chancellor is saying.

Because of the Chancellor and the absence of substance, spark and detail, the Budget statement was a painful experience, as I have said. I think that Members from all

parts struggled to stay awake. It was certainly painful for me, because, with the Chamber being crowded, I had to sit on the steps of the Gangway, so I ended up getting sore buttocks halfway through. However, that is a separate, personal issue on which I shall not dwell.

This ritual borders on the ridiculous when we are denied access to the full report, and when the Leader of the Opposition has to react to what is leaked to the papers in the lead-up to the Budget statement and what the Chancellor has just said. Those are hardly the conditions for open and fair debate about the state of the nation's finances. It is like being given a jigsaw with some of the pieces missing and the picture on the box having been removed.

Simon Hughes: The hon. Gentleman makes an interesting and good point about the presentation of the Budget. Does he agree that the other great failure of our system is that we still have no chance to consider properly, debate routinely or vote on the Government's expenditure plans during the course of each financial year?

Mr. Ellwood: The hon. Gentleman makes a further point, suggesting, as we go through this year of more openness and scrutiny, that the Leader of the House might wish to pay further attention to the Budget as part of that process.

My hon. Friend the Member for Tatton (Mr. Osborne) has made a similar point. Twenty-four hours later, we are armed with the necessary information to be able to digest exactly what has happened in this Budget statement in a way that we were unable to do during the hour of the speech itself. Having been able to take stock and read the small print, we can make a full assessment of this Budget. Considering the state of the nation's finances and the urgency of getting public spending under control and assisting businesses that are still not getting support from the banks, there was very little to write home about. As the headline in the *Financial Times*, which is pretty much a neutral newspaper, put it: "Darling ducks deficit challenge".

This Budget has really been more about election tactics—the survival of Labour rather than what is good for Britain. I can imagine the discussions that took place in the last couple of weeks, in the lead-up to this, with people saying, "How do we manage this exercise for the benefit of our party in surviving through the next election?" I am guessing that it came down to three principal tactics. First, with borrowing at £11 billion less than predicted, how can that be spun in a way to suggest that there is a successful story and fine stewardship in navigating the troubled waters of the recession? Of course, that tactic has to be employed without mentioning the fact that we were the first country in the G8 to enter recession and the last country to come out of it. It must also be spun in such a way that we are borrowing £163 billion, of which it costs £43 billion a year simply to do the borrowing. From an international credit rating perspective, that borrowing continues to be under threat.

The second tactic that I think was adopted was the idea of stealing some headline-grabbing measures from the Tories and taking credit for them in order to close off potential lines of attack during the election. That is why we saw the abolition of stamp duty for homes under £250,000, the inheritance tax threshold frozen, and more university places offered. Of course, that tactic works only when one does not mention that it was a Tory proposal to abolish stamp duty in that way, that it was the Conservatives who decided to raise the inheritance tax threshold to over £1 million, and that it was the Tories who put forward the idea of more university places. What has also now been exposed, thanks to my hon. Friend the Member for Tatton, is that the university places funding scheme is available only for one year, yet the average university course takes up to three years.

The third tactic that I think has been employed is to rally the Labour party with eye-catching headlines on measures such as tax information-sharing with that good old country, Belize. Well, of course that got a big laugh—the biggest laugh of the day—but the enormous build-up to the big hoo-hah when this announcement was made suggests that the Budget is not being taken too seriously. Why not get to the core of the issue by doing what the Conservatives have been proposing—capping the level of contributions made to party funding? That is something that the Government could have done in any one of the 13 years in which they have been in power. Instead, they decided to go for gimmicky headline-grabbing measures.

The same applies to the amount of money for repairing potholes—£100 million. Anyone who was listening to the "Today" programme this morning would be aware that repairing the roads to the necessary standards that we expect would cost £9 billion, so £100 million will not go very far, and it will probably cause arguments as to how and where it is spent, with possibly more going to Labour seats than Tory ones.

Mr. Christopher Chope (Christchurch) (Con): My hon. Friend makes a very powerful point. Does he agree that it is ironic that the Government are threatening to withdraw the funding for the A338 from the A31 into Bournemouth, which has been part of a Government-funded programme, and yet at the same time they are boasting about increasing expenditure on highway maintenance?

Mr. Ellwood: My hon. Friend and neighbour makes an absolutely valid point. That is the trouble with this Government. They see these schemes, they get put in place, and then, as we approach the election, things are moved around for electoral gain.

The tactics of yesterday were all about attempts to overshadow key aspects of the Budget. We heard nothing about allowances being frozen, despite inflation running at 3 per cent., which effectively introduces another form of stealth tax. We heard nothing about the fact that national insurance is on its way up—not necessarily the best thing to do when one is trying to find support for businesses up and down the country.

Of course, there was no mention of delaying the spending review, which is so critical from now until October. I ask the Economic Secretary: what is the difference between conducting the next three-year spending round now and doing it in October, apart from the fact that there happens to be a general election in May?

A £24 billion hole remains in the Budget, which is supposed to be filled from savings in public services. The Government have identified and even ring-fenced the money, but they have not said where it will come from. I am afraid that that will be an election issue. People will ask where Labour intends to make the cuts.

[Mr. Ellwood]

Of course, we will not know until after the election, if at all. There are no details in the Budget, which is a "Don't rock the boat" Budget. It is the bluffers' Budget, which leaves the economy and the country guessing Labour's true intentions.

As my hon. Friend the Member for Broxbourne said, we often come into the Chamber and experience exchanges of pleasantries or otherwise; we chew over the issues and say things to each other. Yet the opinion that actually matters as much as anyone's is that of the investors, who examine the Budget speech and the details of the Red Book and decide whether to invest and support the Government. Hon. Members should consider the gilt markets and what happened during the Budget speech yesterday. Investors around the world started to sell Government bonds, pulling their money out of the UK. They did not like what they saw. The Economic Secretary shakes his head, but they did not like it.

Mr. Cash: I am fascinated because I did not know that what my hon. Friend described had happened. Does he agree that it happened because investors know the true bottom line on debt and they are not taken in by the accounting rules, which are governed by EUROSTAT and so on? Investors look at the bottom line, which is much worse than the Government admit.

Mr. Ellwood: Again, my hon. Friend makes a powerful point. The Government must listen because people deciding to shift their money outside the country is likely to threaten our credit rating. The Government need to raise £158 billion of bonds annually in the next five years. That is a tall order with such a shadow hanging over our credit rating. I do not think that it can be achieved without better leadership and drastic action by the Government. Such action seems currently to elude them.

In the few minutes that I have left, I want to consider an aspect of the economy that is close to my heart as Front-Bench spokesman on the subject—tourism and its contribution to the economy. It may seem an odd subject on which to focus, but it is the fifth largest sector in the economy. It is worth £114 billion and I understand that approximately a quarter of those in employment are somehow connected—directly or indirectly—with tourism. We do not do it justice or discuss sufficiently its contribution to the economy. The British tourism industry comprises 200,000 small and medium-sized businesses. It deserves our support, recognition and help. It is therefore not such an unusual sector to consider in a debate about the economy.

What exactly is tourism? It links our seaside towns to our city centres, our country clubs to our town squares, the Lake district to the theatre district, the Ferris wheel to the roulette wheel and the museums in Kensington to the Munros in Scotland. The unique offering of all those things makes Britain exceptional. One cannot replicate that in other countries and that is why we are the sixth most attractive place in the world to visit. That accolade is not trumpeted enough.

Tourism is also about supporting the small and medium-sized business. It is about the tax break on the furnished holiday let, the cost of the visa to enter this country, the price of air passenger duty and the scale of the red tape that faces the B and B. What can tourism do for the country? It has low barriers of entry—it is easy to get into tourism. There are favourable exchange rates, and a Deloitte & Touche report, which was produced not long ago, proved that for every pound VisitBritain spends abroad, it brings in around £25 to this country. That is not a bad investment. How many Departments can one give money to and then make more money from?

Iceland is not a place that one might think of as a tourist destination—it is certainly not a place where one would want to invest one's money anymore—but as a result of what has happened to its finances, it is turning to tourism to mend its economy. It is trying to bring foreign exchange in by promoting and marketing itself in a way that it has not done before, and there are lessons for us to learn from that.

It may shock you to learn that the House last debated tourism legislation in 1969, Mr. Deputy Speaker, and it is high time that such legislation was debated again. The tourism deficit is the difference between the amount of money that we spend abroad and the money that is brought here by overseas visitors. In 1997, the deficit was £4 billion, but that has escalated to £18 billion today. We are losing out: not enough money or people are coming to this country from abroad and we are not attracting people from this country to stay and holiday here. We need to address that so that we can keep that money in this country.

The Department for Culture, Media and Sport budget actually increased by 60 per cent. in the past 10 years, but the tourism budget remained stagnant at £35 million. In fact, in the recent spending round by 20 per cent. What a shame, given that it is one of the few Government operations that can actually make money, as I said.

Let us look at the Budget and how it ties in with tourism. As I mentioned earlier, national insurance has not helped at all. My hon. Friend the Member for Tatton illustrated the problems with the models that are proposed in the Budget to support small and medium-sized business. Business rates will be increasing as a consequence of the Budget, as will the small companies tax rate. There will be a fourfold increase in charges on businesses. In addition, as has been mentioned, the increase in tax on cider does not tackle the underlying problem of binge drinking, nor does it provide the support that is needed for responsible pubs up and down the country. The increase is like using a hammer to break a nut. It is not targeted, and once again, there is not enough discussion between the Treasury, the DCMS and the industry, and not enough understanding of how taxation can work to influence behaviour.

To give another example, I met officials of the Tourism Alliance this week and a group representing caravan parks, which are a big part of the tourism industry. They told me that caravan parks are now required to have an alcohol licence in their flower shops, because some bunches of flowers come with a bottle of champagne, so that people can celebrate events. They need a liquor licence for that, which seems to be absolute madness—there is no sense at all. That needs looking at.

On bingo and gaming duties, we have again seen a massive hammer coming down on the industry, which does not help seaside towns in any way. One hundred and ninety arcades around the country have closed in the last year alone thanks to the lack of support from

the Government. They have tweaked the number of B3 gaming machines that are allowed, which has made arcades unprofitable, which is why so many are closing. Once they are closed, the boards go up, which has a ripple effect on the problems that seaside towns face.

That brings me to the point of order that I made before the debate. I had the opportunity to grab the Minister outside the Chamber to ask him whether he was aware of the announcement made on Radio 4 today that the Government will give £5 million to support seaside towns. I have just checked, and there is still no more information on that in the Vote Office, yet the announcement was made on the radio. I plead to you, Mr. Deputy Speaker, and to the Minister that surely, if we are going to respect this House and if we are going to be allowed to debate those matters properly, we need to share information with hon. Members so that we can understand what is happening. I have no idea where this £5 million is coming from. I have a suspicion that it is actually regurgitated money, as is often the case—an old announcement conveniently re-announced—but I simply do not know. DCMS is none the wiser, and the Treasury Minister did not know anything about it, which suggests that it is a regurgitated announcement.

Furnished holiday lets are those homes that are given over to the tourism market to provide an alternative to staying in a hotel. If the tax breaks that have applied until now are removed in April, as the Government intend, 10 per cent. of the market could be lost, which would lead to the loss of 2,400 jobs and a potential reduction in tourism spend of more than £200 million. I do not think that the Treasury has looked at this carefully enough and I ask the Minister to reconsider it. We have made it clear that we are likely to shift the rules so that the occupancy rate will have to be 20 weeks a year, rather than 10. The Government are running scared of EU legislation, but I ask them to listen to the tourism industry, realise how important this issue is for people from Cornwall to Scotland and get the legislation sorted out.

There are many aspects of Conservative policy on tourism that I would be happy for the Government to copy. Thankfully, a general election is coming up so we do not have to wait much longer. Only £37 of every £100 we spend on holidays is spent in the UK, which means that £63 is spent abroad. A little effort by this Government to promote Britain to encourage us to celebrate what we have here would shift that balance and more money would stay in the UK. Corporation tax should go down, not up, and business rate relief should be automatic, not accessed only after a lot of red tape. The Budget did not contain any new tax breaks for new companies, but we have promised that every new company with fewer than 10 employees will not have to pay national insurance for the first year. The Secretary of State asked for evidence of what the Tories would do, and that policy is a great example of how we would help SMEs get the support that they need.

The Government also need to look at the issue of visas. I urge them to consider a Schengen-plus bind-on to allow those Oriental visitors who want to come here to do so. France and Germany have 500,000 visitors from China every year, but the UK gets only 100,000. That is because Chinese tourists look at the cost of the UK visa and the cost of the Schengen visa, and they turn their nose up at the British offer because it allows entry into just one country. Biometrics must have reached the point at which the two systems could work together and that would be a step towards helping the British tourism industry.

The Chancellor spoke for more than an hour, after which we knew little more than we had done before. After three terms of this Government, we still do not know what they have actually done. We head towards the general election none the wiser about how Labour would cut spending in real terms, how small business would get more support or how the cuts of £24 billion would affect the public services. After a decade of Labour, we see that the boom was wasted. The Government have failed to carry out the radical reforms to public services that new Labour promised us back in 1997 with such fanfare. Those reforms promised to change lives, but our pension systems remain a mess and our health and education systems hardly reflect the doubling of the budgets that they have received.

This Budget, days away from a general election, should have provided the economic argument for Labour's appeal for a fourth term. Instead, it shied away from the big questions. It postponed the big issues and attempted to hoodwink the British people into thinking that Labour has weathered the economic storm. It has exposed the absence of a plan or any vision for the future. Britain can do better, and thankfully the nation will decide whether this Government should have a fourth term. They may well ask what on earth was achieved in the last three terms.

5.19 pm

Mr. Christopher Chope (Christchurch) (Con): It is a great pleasure to follow my constituency neighbour, my hon. Friend the Member for Bournemouth East (Mr. Ellwood). He made some points that were extremely pertinent not just generally but to my constituency in particular, which relies heavily on the tourism industry. Obviously, many people who go and stay in Bournemouth will spend quite a lot of their time in Christchurch, and vice versa.

It is a great privilege to speak in this debate. I will begin with a similar point to the one made by my hon. Friend the Member for Tatton (Mr. Osborne) when he opened the debate this afternoon. He talked about the Government's sleight of hand in not allowing an increase in personal allowances this year, which will affect 30 million people in employment. Is it not a surprise that the Government did not want to give that a fanfare and spell it out in the first few words of the Budget statement. I suppose that they are hoping that people will not notice until later in the year.

That brings me to the issue of personal allowances. In my view, the concept of a personal allowance is this: every person should have a starting point for tax, enabling them to keep enough money to live a normal life, without extravagances or anything like that, and to meet their basic needs, before they have to start paying taxation—before the Government say, "We need a contribution from you!" Back in 1952—you and I, Mr. Deputy Speaker, may just recall the situation then—income tax came into effect only when a person's income reached 103 per cent. of average earnings. Today, however, when average earnings are £23,500 a year—taking the public sector average in December of £457 a week and

[Mr. Christopher Chope]

relating it to the private sector average in December of £448 a week—the personal allowance is £6,475. In my submission, that is far too low, because nobody can live on £6,475.

That is recognised by those who support the national minimum wage. It was announced in the Budget papers that the national minimum wage will increase in the autumn. That means that somebody on the national minimum wage working 40 hours a week will receive more than £12,000. Why, if they are getting the minimum wage, should they have to pay tax on £5,500 of that money?

Simon Hughes *rose—*

Mr. Chope: I shall take an intervention from the hon. Gentleman, whom I presume will tell me about the Liberal Democrat policy. No doubt it will seem attractive in isolation; I just hope that he will tell me how it will be paid for.

Simon Hughes: The hon. Gentleman anticipates my intervention slightly. Does he support the policy that we have made no secret about and which we think is central to the taxation system? That policy is to take everybody with an income of £10,000, however derived, out of the taxation system altogether. It would be paid for by the people who have very high incomes and by reducing the advantages that they get, for example, in pension relief and so on. It would be balanced and paid for elsewhere, but would benefit 3.5 million people, or more, a year.

Mr. Chope: The argument for taking a lot of people out of tax is very strong, but I do not think that the solution of trying to pay for it by further penalising those who constitute the most productive parts of the economy will do anything other than drive increasing numbers of people overseas. They will take their income and abilities overseas. I have met many people in my constituency who have done just that over the past couple of years, and I have met even more in recent days who have said that they are thinking of doing just that, unless we have a Conservative Government that will introduce common-sense policies.

Mr. Cash: I agree with my hon. Friend that the kind of grandmother's footsteps that the Liberal Democrats and others would engage in, which would be just fiddling around with the tax regime, is not the answer. What we need are sound Conservative principles. We want competitiveness, enterprise and growth. We want small businesses to be given the opportunity to pay for whatever is reasonable in the way of public expenditure. My hon. Friend is absolutely right in all the arguments that he is putting forward.

Mr. Chope: I am grateful to my hon. Friend. It is a colloquialism, but we often talk about the direction of travel. My point is that freezing personal allowances is completely the wrong direction of travel. I hope that an incoming Conservative Government will start increasing personal allowances, giving people more money to spend, so that they can meet their basic needs. With the Government's announcement, income tax will now start to be paid on 27 per cent. of national average earnings, which is far too low a figure.

My next, brief point is this. I have been doing a bit of bedtime reading, and I was recently looking at "The Right Approach to the Economy: Outline of an Economic Strategy for the next Conservative Government", which was produced in 1977. Among its authors were the noble Lords Howe and Howell, and it was edited by the father of my right hon. Friend the Member for Horsham (Mr. Maude), who is playing a key role in ensuring that we are well prepared for government. It is an historic document, and, interestingly, it reminds us that we have been here before. Back in 1951, at the end of a Labour Government, we found ourselves in an enormous crisis. In 1977, when "The Right Approach to the Economy" was written, we were also in an enormous crisis, and on both occasions, the crisis was largely contributed to by a Labour Government having had runaway expenditure in previous years and having built up an enormous deficit. One of the big problems that we are now suffering from is that during the period before the global financial crisis, the Government were running a deficit of £34 billion, when we should have had a surplus. That is symptomatic of the recklessness with which they were managing the economy, and we are now reaping the whirlwind.

The tax strategy outlined in "The Right Approach to the Economy" was to have four major elements:

> "Lower personal taxation to restore work incentives...An enterprise package of measures to stimulate business growth...Stronger encouragement to personal savings and capital building on the widest possible scale."

and "Simplification of the system." Those four recipes are as relevant today as they were in 1977. Indeed, one of the papers over the weekend referred to the fact that Finance Bills are now about 10 times the size that they used to be. The system is grossly complex. Think of how much money is wasted just in administering it, Mr. Deputy Speaker.

Briefly, my last point concerns the amount of debt interest. The pie chart on page 11 of the Red Book shows that debt interest payments stand at £43 billion. The most hated tax in my constituency is council tax. The income from council tax is only £26 billion, so if we were not paying so much debt interest, we could abolish council tax. That is the extent to which we have got ourselves into a problem of overhanging debt, produced by this Government, for which we are all paying dearly. There are obviously various other ways in which one could carve that figure up, but the big thing missing from that pie chart on Government spending by function is anything about waste. The amount of Government spending that is wasted is significant, and it should be included in a pie chart, with a figure for the billions of pounds that are wasted. That chart needs to be improved. I hope that an incoming Conservative Government will include a figure for waste, so that we can see over the course of that Government how the figure will decline.

The Government suggested, with a bit of smoke and mirrors, that they could do away with our problems by making a few economies in individual Departments, but my hon. Friend the Member for Tatton, speaking from the Front Bench, was absolutely brilliant when he quoted directly from the people on the front line in those Departments. Let us hope that we have similar frankness from those people when we get into government. Then we can have a real campaign to show exactly what an awful inheritance we are going to have.

5.30 pm

Mr. David Gauke (South-West Hertfordshire) (Con): It is a great pleasure to respond to the debate, and I should like to thank my many hon. Friends who have participated in it, starting with my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton), who made his final speech to the House today. In a long and distinguished career here, he has never been frightened of controversy or of defying his Front Bench. Not only has he not been frightened, I think that he has rather enjoyed it—

James Duddridge (Rochford and Southend, East) (Con): Too much!

Mr. Gauke: That is not for me to say, but he has been consistent in his advocacy of manufacturing, and he argued today for a rebalanced economy and greater savings. I suspect that he has been reading some of the work on the new economic model by my hon. Friend the Member for Tatton (Mr. Osborne), the shadow Chancellor—

Sir Nicholas Winterton: My constituent!

Mr. Gauke: Indeed? I am grateful for that information.

My hon. Friend the Member for Macclesfield's industry and independence have been well respected by his constituents and by hon. Members—and by those who fall into both categories—in his long career. I do not know whether he will be pleased to discover that he became a Member of Parliament eight days before I was born. He probably will not, but I congratulate him on his long and distinguished career none the less.

I also thank my hon. Friend the Member for Sevenoaks (Mr. Fallon) for his excellent speech, in which he highlighted his concerns about youth unemployment, the budget deficit, and the need for an office for budget responsibility. He also used a telling phrase when he described the Budget as a "mock Budget". My hon. Friend the Member for Uxbridge (Mr. Randall) provided the House with a business perspective, and with details of how businesses such as Randall's of Uxbridge had suffered under Labour Governments through the generations. This Government have been no exception.

I should also like to thank my hon. Friend the Member for Leominster (Bill Wiggin) for highlighting the Budget's attack on cider. He rightly said that, although the Government sometimes copy our policies, they frequently fail to get them quite right. This is just such an occasion, as they have raised the tax on all cider rather than targeting the super-strength ciders. That is most unfortunate and will cause great difficulty in his constituency—a fine constituency that I know well, and I know that you do, too, Mr. Deputy Speaker.

I also want to thank my hon. Friend the Member for Broxbourne (Mr. Walker), who started with the statement, which has been widely denied, that when he first came to this place, he was not a nice person. I knew him when he arrived here, and would just like to say that he was a very nice person. He was perhaps a little chubbier than he is now, but he was certainly very nice.

My hon. Friend the Member for Stone (Mr. Cash), following the example of my hon. Friend the Member for Macclesfield in being consistent in focusing on certain issues, highlighted over-regulation, immigration and Europe in his speech. My hon. Friend the Member for Bournemouth, East (Mr. Ellwood), who is a great advocate for the tourism industry, highlighted our party's policy on the difficulties with furnished holiday lettings. My hon. Friend the Member for Christchurch (Mr. Chope) mentioned the fact that Labour Governments always leave the economy and the public finances in a mess.

I also want to thank the right hon. Member for Rother Valley (Mr. Barron), who spoke well about his constituency, and the hon. Member for Luton, North (Kelvin Hopkins), who, rather to everyone's surprise, praised Lord Mandelson. The hon. Member for Leyton and Wanstead (Harry Cohen) revealed that he was a leading intellectual influence on Government policy and the return of Keynesianism. He also spoke of the need for greater transparency to prevent people from being ripped off. The hon. Member for Glasgow, North-East (Mr. Bain) spoke in his first Budget debate, and I suspect that it will not be his last.

The task for the Budget was perhaps best set by the Governor of the Bank of England, Mervyn King, in a speech in Exeter on 19 January when he said that the spring Budget provides an opportunity to

"demonstrate a strong commitment to fiscal sustainability in the longer term".

We can take it as implicit in that that the Government had not succeeded in demonstrating a strong commitment to fiscal sustainability prior to this Budget. The fact is that the Government have failed that task.

It is not persuasive for the Government to say, "Look, we have lower borrowing than we predicted." After all, the Institute for Fiscal Studies predicted in its green budget in January that the borrowing could be reduced to £167 billion for this year, but it went on to state that, even with the same level of growth as the Government predicted, lower tax revenues would result, so much of the gains would be lost. The IFS also pointed out that the Treasury's forecasts for economic growth were higher than the average of independent forecasts; indeed, we know that they are even higher than the Bank of England projected. There is consequently very little room for optimism as far as growth is concerned.

We have heard a lot about tax rises. Most noticeably, we heard about the increase in national insurance contributions. It was striking when, earlier this week, a policy exchange paper showed, by running through an economic model very similar to that of the Treasury, that an increase in employers' national insurance contributions of 2 per cent. would reduce gross domestic product by 2 per cent. and increase unemployment by 1 million. It was rightly said that the result should be viewed with caution and I am not saying that the figure is right. If it is, however, it is remarkable that the Treasury went ahead, especially if it had received such advice. The Treasury should come clean with the British people as to the advice it has received on this matter.

We heard more about higher tax on alcohol, not least on cider, and we heard about a permanent increase on stamp duty. There is also the issue of freezing personal allowances, raised by a number of hon. Members, which will cost 30 million people at least £48 a year as a consequence of the retail prices index being much higher than the rate to which the personal allowance will be raised.

[Mr. Gauke]

The big question and the big missing element is the absence of spending plans—the absence of a comprehensive spending review that is long overdue. The Government's excuse, of course, is that there is uncertainty about what the debt and unemployment figures will be over the months ahead, yet somehow those uncertainties are magically removed once we are the other side of a general election. At that point, it is possible to set out spending plans going through to 2013-14.

We are not given the numbers and, given what the IFS said earlier today, we know why. According to the IFS, spending on public services and administration will have to fall by a total of £48 billion in real terms by 2014-15 and in unprotected areas such as higher education, transport and housing, spending will have to be reduced by between 19.5 and 25.4 per cent. by 2014-15. If the Minister disputes those numbers, I urge him to take the opportunity to do so this afternoon.

My hon. Friend the shadow Chancellor provided us with some quotations from officials regarding spending plans. I am not going to repeat them—time does not allow me—but I can throw in some examples where both the Department for Business, Innovation and Skills and the Department for Communities and Local Government seem to be making the same claims for the same efficiencies in exactly the same terms. It looks as if there is an element of double counting as well. It is worth quoting Cathy Newman, the Channel 4 journalist who compiled this list, when she described Departments as

"hilariously candid about just how back of the envelope their plans are".

The truth is that the Government have a dreadful record on efficiency savings. They had their own target of £35 billion of savings to be found between April 2008 and April 2011, but confirmed yesterday that they had found only £10.8 billion. As the IFS pointed out today, some savings that have been found belong to existing efficiency drives and are therefore not additional, while some, because they are in protected areas, will be recycled and will not count towards deficit reduction. Savings must be about delivering. It is a question of having to show, not tell. That is one reason for saying that the sooner we get on with delivering these efficiency savings, the better.

The fact is that this has been a thin, empty, dead-end Budget, lacking ideas and vision and giving no sense of how this Government will take the country forward. Perhaps, as we debate what Conservative Members hope will be the last Budget produced by Labour, this is a good time to look back at the first, delivered on 2 July 1997 by the then Chancellor, now Prime Minister. It is well worth reading some of the lines that appear in it:

"Public finances must be sustainable over the long term. If they are not, the poor, the elderly and those on fixed incomes who depend on public services will suffer most."

Mr. Desmond Swayne (New Forest, West) (Con): He was right.

Mr. Gauke: He was indeed. We are now borrowing more than we have borrowed at any time in our peacetime history.

The then Chancellor went on to say:

"A prudent estimate of the current trend rate of growth is only 2¼ per cent., so raising the long-term growth rate of our economy is our major challenge."

The IFS green budget and the OECD estimate that the trend growth rate is now 1¾ per cent., so there is another failure.

The then Chancellor also said that past Chancellors had

"deluded themselves into believing that growth, however unbalanced, was evidence of their success. I will not ignore the warning signs and I will not repeat past mistakes".

but oh yes he did. He also said that one of the important elements of growth was business investment, but now, in 2010, we are seeing the largest fall in business investment since records began.

The then Chancellor said:

"Half the adult population of our country hardly saves at all."

Under the current Government, saving rates have reached record lows. He also said:

"I want the United Kingdom to be the obvious first choice for new investment, so I have decided to cut the main rate of corporation tax."

He went on to boast about our tax competitiveness on the basis of the corporation tax rate. In 1997, our rate was lower than the OECD average; now it is higher. In 1997, ours was the 11th lowest rate in the world; now it is the 23rd lowest. In 1997 ours was the third lowest rate in the EU 15; now it is the sixth highest, and the Prime Minister is standing in the way of our proposals to reduce corporation tax further.

The then Chancellor said that

"it is time for the welfare state to put opportunity back into people's hands."

He also focused on young people, saying:

"There will be no fifth option—to stay at home on full benefit."
[*Official Report*, 2 July 1997; Vol. 297, c. 303-308.]

Now 923 young people aged between 16 and 24 are unemployed, and the figure is 50 per cent. higher than it was in 1997. The figure for economic inactivity is at a record high, at over 8 million.

That was not a Budget that stood the test of time. It introduced fiscal rules that have been abandoned. It boasted of dismantling the internal market in the national health service, which had to be reintroduced. It proposed individual learning accounts, which had to be abandoned after being abused by fraudsters. It proposed a university for industry; that proposal led nowhere. Nevertheless, we could at least say that that was not an empty Budget. It was packed with ideas, although most of them were bad ideas. In contrast, yesterday's Budget showed that the Government have completely run out of ideas and run out of steam. I can, however, find one similarity between the hyperactive Chancellor and the fading Prime Minister who will go to the electorate very shortly. Both can be described in this way: fired with enthusiasm.

This is a Government who are just trying to muddle through—a Government who have run out of steam, run out of ideas and run out of courage. With this Budget, they are ending with a whimper.

5.45 pm

The Economic Secretary to the Treasury (Ian Pearson): It is a pleasure to respond to today's Budget debate on behalf of the Government. I shall begin by responding

to the speeches of Back-Bench Members, some of whom were making their last speech in the Chamber as they will be retiring at the forthcoming general election.

My right hon. Friend the Member for Rother Valley (Mr. Barron) made a powerful speech in which he talked about the importance of investment in schools in his community and in infrastructure. He has seen the great difference that has been made, yet in the years before Labour came to power such investment just was not there and his area was forgotten about. He rightly pointed out that Building Schools for the Future is a programme for the future, and it will continue to provide much-needed investment in our schools infrastructure. He also spoke very eloquently about the changes he has seen in the coalfield communities in and around his constituency, and I particularly noted his points about Orgreave and the advanced manufacturing plant that is now located there.

My right hon. Friend also made some valid points about the role of Government intervention both in his constituency and more generally, and I am disappointed that it appears that regional development agencies have become a political football. A rational and dispassionate analysis of the situation leads to the obvious conclusion that there are some things that can be done at the local level and others that need to be done at the Westminster and Whitehall level, but that there is also a gap, so there is a valid case for RDAs and the work they do. The Conservative party should have a serious think about its planning policy because it would put future economic growth in jeopardy by putting barriers in the way of the strategically important investments that the UK will need to make.

I want to pay tribute to the hon. Member for Macclesfield (Sir Nicholas Winterton), who is retiring after almost 39 years in this House. As has been said, he began his parliamentary career before the hon. Member for South-West Hertfordshire (Mr. Gauke) was born—and the shadow Chancellor, too. I think I must have been a secondary school pupil when the hon. Member for Macclesfield first entered this House. As always, he spoke with great passion about manufacturing industry and I, as an MP for a west midlands seat, share that passion. I do not, however, share his concerns about international ownership of companies that are major employers in the United Kingdom. In modern-day manufacturing, companies, including some of our biggest companies, have a very diverse share base. The hon. Gentleman mentioned AstraZeneca, and it is a case in point. I am sure he will have welcomed the Chancellor's comments about not going back to the interventionism of the past, but no return to the hands-off approach of the free marketeers either. I believe an active industrial policy to support manufacturing is what is needed. That is not to say that we do not need to do more to improve the service sector, but it is inconceivable that the United Kingdom can have a strong future without a vibrant manufacturing base.

I have always respected the views held by my hon. Friends the Members for Luton, North (Kelvin Hopkins) and for Leyton and Wanstead (Harry Cohen), although I have found it very difficult to agree with them on most occasions. In fact, it is one of the ironies of this place that I have probably agreed more with Opposition Front-Bench Members than with them over the last 15 years that I have been a Member of this House. However, my hon. Friend the Member for Luton, North is absolutely right to point to the value of the new industrial activism that has been espoused by Lord Mandelson. A number of us have been arguing strongly for that for a long time. I am glad that it is now more recognised within government. My hon. Friend said that we ought to be following Germany's example more, but if he reads the detail of the Budget and what we are saying in response to the Hauser review, he will see that we are following the model of Fraunhofer's that has been introduced there. In fact, although our proposals on UK finance for growth and the green investment are not the same as this—one would not expect them to be—they share some similarities with the Kreditanstalt für Wiederaufbau, which Germany has had for many years.

The hon. Member for Sevenoaks (Mr. Fallon) is always worth listening to, but I still think he is on the wrong side of the argument on how we should tackle the deficit. We maintain strongly that making cuts now would put the recovery in danger, and we do not believe it is right to do that. However, he made some good points about the costs of employment, and it is right that any future Government should look at those and when the time is appropriate, and the economy can afford it, should look to reduce national insurance. The judgment we made in increasing national insurance from April 2011 was that we need to do that as part of our plans for fiscal consolidation, and we believe it is the fair thing to do. He also made important points about private equity. If he were to read page 53—I think that is the right page—of the Budget document, he would see that we wish to re-examine venture capital trusts and the eligibility limits for investments that are made. He also ought to welcome what we are doing through the growth capital fund and UK Finance for Growth too.

The hon. Member for Uxbridge (Mr. Randall) talked with the great knowledge that comes from his background in business. Like him, I have a business background, so I understand why he feels so strongly about it. I agree with the points he made about the status of engineers. I dimly remember something from my education days about selective employment tax, to which he referred. My hon. Friend the Member for Glasgow, North-East (Mr. Bain) paid full tribute to serving Members of this House. He may be a new Member, but he made a very mature contribution to his first Budget debate speech, and I know that that will augur well for his future.

The hon. Member for Leominster (Bill Wiggin) made a stout defence of the cider industry in his constituency, and it is right that he wishes to press for the interests of his constituents, whom he feels may be affected. If he looks at some of the fine detail that has been announced, he might obtain some greater assurances. He also talked about rural broadband, to which the Government are very much committed. We remain fully committed to the universal service commitment by 2012, and to the roll-out of next-generation broadband.

The hon. Member for Broxbourne (Mr. Walker) talked about the problems of his local further education college and the legacy of mismanagement by the Learning and Skills Council. I must say that that is one of the more horrifying examples of mismanagement that I have come across in my time as a Minister. Like him, and in contrast to the hon. Members for Stone (Mr. Cash) and for Bournemouth, East (Mr. Ellwood), I am hugely

[Ian Pearson]

positive about the future of this country. It is unusual for somebody in the position of the hon. Member for Broxbourne on the Conservative Benches to be talking the country up, but it is refreshing that he wants to do so. Perhaps he has not gone further towards the Opposition Front Bench because he is too nice, not because he was too nasty—he claimed that he was—when he came into this place.

The hon. Members for Stone and for Bournemouth, East both talked about levels of debt and the UK's credit rating. They will be very aware that all the credit rating agencies judge that the UK has the highest possible credit rating, and Moody's has said that we have a resilient triple A sovereign rating. Right across this House there must be common agreement that it is important that the UK takes every action it needs to maintain its sovereign triple A credit rating.

The hon. Member for Bournemouth, East also talked passionately about tourism. I agree with many of the points he made about its importance, but I suspect that we disagree on some of the practical policy measures. However, tourism is an important sector for the UK economy, and it is right and proper that we should continue to stress its importance.

The hon. Member for Christchurch (Mr. Chope) talked about sleight of hand in the Government's freezing of personal allowances. The hon. Member for Bournemouth, East, also said that this was a political Budget and that we would not have this sort of Budget if there were not a general election coming, but I do not think the Conservatives would be creating so much fuss about the indexation of personal allowances if it were not for the forthcoming general election. The idea that that is a stealth tax is completely disingenuous. Each year, personal allowances go up in line with inflation, and the uprating figure that is used is that for the previous September. As inflation was negative last September, at minus 1.4 per cent., those allowances could, in theory, have been cut, but we chose instead to freeze them, and we announced that in the pre-Budget report. In the past 12 years, personal allowances have been indexed in nine years, frozen in one year, when the personal allowance was used to help to pay for increases in health spending, and over-indexed in two years. If there were not a general election in the offing, the Conservative party would not be making anything whatever of this issue, because it is simply the normal thing to do.

Mr. Osborne *rose—*

Ian Pearson: I shall give way to the hon. Gentleman in a moment, because I want to refer to what he has said. In his speech on the Budget, he first called it an "empty Budget" and then accused us of pinching all the Conservatives' ideas and putting them in it. He cannot have it both ways.

Mr. Osborne: I just wanted to say that the Minister has paid tribute to lots of people who are retiring at this election, but he, too, is retiring, and he has been an incredibly hard-working and sincere Minister. We wish him well in his retirement.

Ian Pearson: I thank the hon. Gentleman for those comments. It might seem churlish if I were now to say some of the things that I might have wanted to say about his speech. Let me simply say a few more words. He suggested that the Chancellor did not say anything about taxes, but perhaps he missed the section of the Chancellor's speech in which he talked about the 1p increase in national insurance contributions, the 50p rate and the tax relief on pensions. The hon. Gentleman ought to welcome the fact that the Chancellor said we are not raising taxes out of "dogma or ideology". I very much welcome that, and I hope we will be in a position to reduce top tax rates in future, because I believe that they can, if they are too high, be a disincentive to entrepreneurship and innovation.

I also want to correct the hon. Gentleman's accusation regarding the Chancellor using net figures and gross figures in relation to bank lending. The Chancellor said that there was £38 billion of lending to small and medium-sized enterprises in the past year. The actual figure for total gross lending last year was £79 billion, and the target that was agreed with Lloyds and RBS is £94 billion for this year. That is a real increase.

This is an important Budget. I am proud that there is a strong growth element to it, and I thank the hon. Gentleman and other hon. Members for their personal thanks to me.

5.59 pm

Ordered, That the debate be now adjourned.—*(Lyn Brown.)*

Debate to be resumed on Monday next.

Business without Debate

SITTINGS OF THE HOUSE

Motion made,

That, on Tuesday 30 March, the House shall meet at 11.30 am and references to specific times in the Standing Orders of this House shall apply as if that day were a Wednesday.—*(Lyn Brown.)*

Hon. Members: Object.

PETITION

Sovereign Fields (East Northamptonshire)

6 pm

Mr. Peter Bone (Wellingborough) (Con): I would like to present an unusual petition, in that I have never had a petition before in all my time in the House that so many people in the area affected have signed. Almost 100 per cent. of them have signed it.

The petition states:

The Humble Petition of residents of Sovereign Fields, Higham Ferrers, Northamptonshire and the surrounding areas,

Sheweth that the common land on the Sovereign Fields development of Higham Ferrers is used not only by the people of Sovereign Fields but by the local community of Higham Ferrers and by the people further afield; yet that due to a dubious planning decision in 1989 the residents of Sovereign Fields have to pay a management charge to look after the public spaces; and that the Petitioners believe that the common land should be transferred to East Northamptonshire District Council; and that the maintenance of the land should be taken over by the said council.

Wherefore your Petitioners pray that your Honourable House urges the Secretary of State for Communities and Local Government to liaise with East Northamptonshire District Council and Higham Ferrers Parish Council, to arrange for Sovereign Fields common land to be transferred to the district council.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000787]

Government and the Legislature

Motion made, and Question proposed, That this House do now adjourn.—(*Lyn Brown.*)

6.2 pm

Mr. Chris Mullin (Sunderland, South) (Lab): As you will know, Mr Speaker, it is the custom when we come to this place for a new Member to make a maiden speech. With your indulgence, I wonder if I might initiate a new genre tonight: the valedictory speech.

I have been in this place 23 years. I hope that, during that time, I have left the occasional footprint in the sand, but I am under no illusion. Only a handful of those of us who currently strut these corridors will still be remembered in 10 or 20 years' time and I do not expect to be among them. Before the waters close over my head, however, I would like to take this opportunity to place on record a few random thoughts that might be of interest to those who come afterwards.

To those who ask where I am coming from, I reply that I am a socialist with a small s, a liberal with a small l, a green with a small g and a Democrat with a capital D. Although most of us are more prosperous than we have ever been, we live in an age of disillusion and corrosive cynicism. It is fashionable to believe that all politicians are useless, that nothing works, that everything is bad and getting worse and that all political activity is pointless. I do not accept this.

Despite the catastrophe of Iraq, I sincerely believe that the achievements of the previous three Labour Governments have been considerable. I have only to look at my constituency to see the truth of that proposition. With hand on heart I can say with confidence that during these previous 13 years the lives and life chances of many of my least prosperous constituents have been immeasurably improved. The Government have, for reasons I can only guess at, been rather shy about it, but we have redistributed some wealth. The minimum wage, working tax credits, pension credits and the huge investment in health, education and public transport have made a considerable impact and I defy anyone to argue otherwise. In my constituency in 1997, and one has to pinch oneself to recall this, a significant number of people—security guards, mail-order workers and care workers—were earning as little as £1 an hour. The waiting time for a hip operation at Sunderland Royal hospital was up to two years and it is now 18 weeks and falling.

There is a secondary school in my constituency, Sandhill View, at which 15 years ago less than 10 per cent.—I repeat, less than 10 per cent.—of GCSE pupils were achieving five A to C grades. Today, Sandhill View is under dynamic new management. It has been entirely rebuilt, sharing a library, sports and other facilities with the surrounding community. It covers exactly the same catchment area as the old school, and around 60 per cent. of pupils obtain five A to C grades. To be sure, there is still room for progress, but I think that the House will agree that there has been a dramatic improvement on what went before.

Nor do I believe that such changes are confined only to Sunderland. City centres such as those in Leeds, Manchester, Newcastle, once in near terminal decline,

[Mr. Chris Mullin]

have been reborn. No doubt there are many reasons why this has happened, but I do believe that it has something to do with the fact that we have enjoyed more than a decade of Labour Government.

There has been progress, too, in other important areas, such as the environment, criminal justice, and international development, and above all in Ireland, where peace has been achieved after many years of apparently intractable conflict. And who would have thought that we would live to see the day when a new Labour Government took a controlling interest in three major banks with—eventually—Conservative support?

There are social and constitutional reforms that were controversial in their day but which, having been enacted, will endure for ever. They include the bans on smoking in public places and on cigarette advertising, the requirement that political parties disclose their source of funding, and the Freedom of Information Act—painful though that has proved for us humble servants of the people. Whatever the outcome of the election, no one can take those achievements away from the Governments of the previous 13 years, and I note that no Opposition party is intending to do so.

I would like now to address the future. Whatever the achievements of the past, we are all well aware that we are as far away as ever from achieving nirvana. Although in some respects my political views have modified over the years, I continue to doubt that there is a long-term future for an economy based on shopping. The frenetic consumerism of recent decades surely contains the seeds of its own destruction, and even more so now that China and India are falling over themselves to make, with knobs on, the same mistakes as we have made.

I truly believe that this age of consumerism is only a very temporary period in the history of the human race and that, if we carry on as we are, it will end badly—perhaps within the lifetimes of our children and grandchildren. As things stand, we are using up the resources of the planet as though there is no tomorrow and, if we are not careful, there will be no tomorrow.

One way or another, we have to devise lifestyles that are sustainable, and that may well require changes to our way of life that most people have only dimly begun to contemplate. This I regard as the greatest single challenge facing the new generation of political leaders, regardless of which side of the political spectrum they come from.

I think that we can all agree too that the neo-liberal experiment of the past two decades, which has bewitched politicians on all sides of the House and both sides of the Atlantic, is well and truly over. The near meltdown of the global banking system was a wake-up call, if ever there was one.

Not everyone has got the message, however. Three months ago, at the annual dinner of the Institute of Directors—I get some invited to some very odd places these days—I was interested to hear the man in charge still chanting the mantra of light-touch regulation and demanding less Government intervention in the workings of the market. I thought to myself, "Lucky there was some big government around when the banks went belly up."

Nor should we imagine, as we sit tight in fortress Europe watching other people's catastrophes on our television screens—and perhaps averting our eyes by switching channels—that we will remain indefinitely immune.

The world is increasingly a village. What happens in one part has consequences in another. The danger for western Europe is that, if the world beyond our frontiers is allowed to disintegrate—as the oceans rise, the rivers evaporate, the deserts expand and populations multiply—the flow of economic refugees from Africa and Asia will gradually become a tide that will gradually overwhelm our fragile social, economic and political systems.

I do not say that that will happen, but it must be a possibility that can no longer be overlooked. We are deluding ourselves if we imagine that this process can be halted by increased repression. In the end, it can be reversed only by addressing the root causes, and that requires political leaders of courage and vision, willing to face their electorates with home truths and not merely pandering to the basest prejudices.

Here in the United Kingdom, our problems are exacerbated by the fact that for a generation or more, our citizens have been encouraged to believe that they can enjoy European standards of public services and American levels of taxation. Sooner or later, choices must be made. Perhaps the moment has come. If we want higher standards in our schools, better hospitals, better pension provision, and long-term care for the elderly, they will have to be paid for out of taxation. Let us not pretend, as some do, that such benefits can be paid for merely by taxing the rich; they cannot. We, the pampered inhabitants of middle England, will have to make a larger contribution. By all means crack down on waste and demand value for money, but do not pretend that that alone will solve the problem. At the end of the day, there are choices to be made, and each choice has consequences that we must face maturely. I keep reading how heavily taxed we are, but I note that the basic rate of income tax today is well below what it was in Mrs. Thatcher's day.

Government needs to become a little less frenetic. The practice of annual reshuffles is massively destabilising and confers enormous power on the civil service. There have been eight Secretaries of State for Work and Pensions in the 10 years since that Department was invented. Of late, we have been getting through Home Secretaries at the rate of one a year. Goodness knows how many Health and Education Ministers we have got through. We are on our 10th Europe Minister.

Mr. Denis MacShane (Rotherham) (Lab): Twelfth.

Mr. Mullin: I defer to my right hon. Friend. We are on our ninth or 10th Prisons Minister. I was the sixth Africa Minister and the current incumbent is the ninth. That does not make for good government.

I turn briefly to our 24-hour media. The free flow of information is the lifeblood of democracy, but I do wonder if we politicians have not gone too far in trying to ride the tiger. Perhaps future Prime Ministers should spend a little less time feeding, appeasing, and canoodling with tabloid editors and their proprietors; in any case, it almost always ends in tears.

I refer to another issue that ought to be of concern to all those of us who care about the condition of our democracy: the funding of politics. We have come some way in recent years in regulating party funding, but it remains an unhappy fact that all the main parties are, to a greater or lesser extent, dependent on the favours of rich men. I believe that this demeans our politics, and it is time that it was addressed. The dilemma that we face is that we live at a time when the public are less inclined to join political parties, do not wish to donate and, above all, do not want their taxes to fund political parties. But—and here is the rub—they all wish to live in a democracy. That is the circle that we poor, despised, inadequate politicians have to try to square. There are no easy solutions, but the one that I favour is for every taxpayer to be given a tax-free allowance of up to, say, £250, which he or she is entitled to donate to the political party of their choice in return for a strict cap on individual donations.

In passing, may I say a word about what I regard as one of the most insidious developments in recent years—the growth of outsourcing or agency work? Increasingly, there are two classes of people working alongside each other in this country. There are those fortunate enough to be employed on a contract, as we are. They are in full-time work, and are entitled to paid holidays, occupational pensions, sickness pay, redundancy pay and all the other hard-won benefits that we used quaintly to associate with the 20th century. Alongside them, there is a class of people who qualify for none of those things, who can be put down and picked up at will, and who are often paid less than others doing the same work.

Regrettably, the practice of outsourcing is spreading. The outsourced are all around us. There is a school of thought that believes that to be desirable. I regard it as a most ominous development, storing up great problems for the future. We talk of lifting families out of poverty, but outsourcing drives people into poverty. We are heading remorselessly back towards the 19th century, back to the days of casual work, when workers assembled at the shipyard gate, and the foreman said, "I'll have you, you and you, and the rest of you can go home." I hope that future Governments will consider long and hard before pushing more people down that road in the name of the great god efficiency. At the very least, if the practice cannot be reversed, it needs to be carefully regulated.

Finally, a word to the coming generation of politicians. I have one simple message: take Parliament seriously. If we, the elected, do not, why should anybody else? By all means one should support the programme on which one's party was elected, but we are not automatons. We are not sent here merely to be cheerleaders, or to get stiff necks looking up at the fount of power. We are here to exercise our judgment—to hold Ministers to account for the powers they hold. And that means proper scrutiny. It means insisting that Ministers engage seriously with Parliament, and that they are open to dialogue. It means, so far as possible, insisting that the Government publish legislation in draft so that it might be improved before it is set in stone. And, if you want an easy win, Mr. Speaker, so far as the public are concerned, it means doing away with the 80-day summer recess.

In conclusion, there are many people whom I must thank: the people of the Sunderland, South constituency for having allowed me to represent them these past 23 years; members of the Sunderland South Labour party for having allowed me to be their candidate through five general elections; friends and colleagues from all parts of the House for the pleasure of their company; officials great and small with whom I have worked over the years, both in government and in the House; and last but not least, yourself, Mr. Speaker, for doing me the honour of presiding tonight, and my right hon. and learned Friend the Leader of the House and her distinguished shadow, the right hon. Member for North-West Hampshire (Sir George Young), both respected colleagues over many years, for their presence.

Mr. Speaker, I depart with mixed feelings. I have heard it said that most MPs stay one Parliament too long, and I thought it better to go while people are still asking "Why?" rather than "When?" There will be withdrawal symptoms. Leaving now is either the best thing I have ever done or the biggest mistake of my life. At this point, I have no idea which. I do know this, however: I count it a privilege to have been born in a democracy and to have served in this place. The great thing about democracy is that, although harsh things are sometimes said, we are not actually trying to kill each other. Differences are ultimately resolved at the ballot box. One side wins; one side loses; and the loser lives to fight another day. Mr. Speaker, those are the last words that I shall speak in this place.

6.17 pm

The Leader of the House of Commons (Ms Harriet Harman): It is, indeed, a privilege for me to reply to this valedictory speech and to follow my hon. Friend the Member for Sunderland, South (Mr. Mullin). He made wide-ranging and, as ever, interesting comments on the future of this place, noting the good that the Government have achieved and reminding us of some of our shortcomings.

My hon. Friend is noted for his independent mind and passionate commitment to the cause of justice. He will most definitely leave a footprint, not least in the minds of the families of the Birmingham Six, those who campaigned to free the Guildford Four and the men wrongly convicted of killing Carl Bridgewater. But tonight I would like to take this opportunity to honour my hon. Friend's work, both as a Minister in a Labour Government, no matter how reluctant at times he appeared to be, judging by his diaries, and as a parliamentarian. As an assiduous Back Bencher, he was chair of the parliamentary Labour party's civil liberties group in opposition and a member of the Home Affairs Committee, serving in a very distinguished way as its Chair from 1997 to 1999 and again from 2001 to 2003.

On leaving the Government at his own request, my hon. Friend became a member of the Standards and Privileges Committee, and last year he served with great energy and determination on the Committee on the Reform of the House of Commons. On the day that I have tabled motions to give effect to the decisions of the House to establish a Back-Bench business committee, I hope he feels that his work has resulted in a profound reform of this House and a strengthening of Parliament's ability to hold the Executive to account—surely another of his footprints in the sand which will stand the test of time.

[Ms Harriet Harman]

Parliament has now agreed to a comprehensive range of proposals, including measures to strengthen the Select Committee system, which is so dear to my hon. Friend's heart; to introduce private Members' motions; and to improve public engagement with the House and, in particular, the legislative process. I intend that the Standing Orders be brought before the House for formal approval as soon as possible, and I want to clarify my comments during business questions: the House will not be asked to approve the Standing Orders on Monday, but it will be asked to do so very shortly.

I pay tribute also to the work of hon. Members from all parts of the House who will not be standing for re-election at the next general election. All have made contributions to the work of Parliament, as well as representing their constituents. Despite the difficulties that Parliament and parliamentarians have gone through in the past year, some of which we brought upon ourselves, many will never happen again because we have brought forward reforms. As my hon. Friend wrote this year in his advice to new candidates, which I recommend to everyone:

> "also with any luck you will not suffer the perennial embarrassment of having to vote on your own remuneration and allowances. All that has been taken away from MPs. Not before time."

I am sure that the whole House will agree with that and look forward to the Independent Parliamentary Standards Authority taking that on in its new role.

To return to my hon. Friend's work as a Minister in the Labour Government, he will be remembered, too, for his work on Africa in the newly formed Department for International Development in 2001, and later in the Foreign and Commonwealth Office between 2003 and 2005. His interest in international affairs, as well in as the affairs of his constituents and in the importance of this House, has been wide-ranging, encompassing not only his ministerial portfolios but his serving as chair of the organisation Medical Aid for Vietnam, which he took on in 2006.

My hon. Friend will be much missed in this place, as the attendance in the Chamber tonight attests—I do not think I have ever seen a debate on the Adjournment so well attended—but we know that his hinterland is assured. He is a published author of some repute. Labour Members still recall with fondness "Harry Perkins for Prime Minister" badges following the success of his book, "A Very British Coup", in 1982. And of course there is his latest work, "A View from the Foothills", which I also have no hesitation in recommending for all aspiring Ministers and all aspiring parliamentary candidates.

Sir George Young (North-West Hampshire) (Con): The right hon. and learned Lady refers to that publication, and we await forthcoming editions with a mixture of trepidation and anticipation. Does she agree that having seen what fate befalls those who scale the peaks, the foothills might be quite a good place to be?

Ms Harman: Indeed; absolutely.

Personally, it has been a pleasure and a privilege to work with my hon. Friend. He has always been honest and independent. He has cared about the underdog, and he has cared about his constituents. It has been a great pleasure and a privilege to serve alongside him. Although he leaves this House, I have absolutely no doubt that he will play an important part in the causes that he has championed all his life; it will just not be in this House, and for that this House will be the poorer.

Question put and agreed to.

6.22 pm

House adjourned.

House of Commons

Monday 29 March 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Compensation (Shoeburyness)

1. **Mr. Douglas Carswell** (Harwich) (Con): What representations he has received on provision of compensation to people whose properties have been damaged by explosions at Shoeburyness. [324443]

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): The work at Shoeburyness is directly linked to saving the lives of service personnel on operations in Afghanistan, providing, among other things, essential pre-deployment training in the safe and controlled disposal of improvised explosive devices and similar ordnance. In 2009, I received three representations, with a further two so far this year, from people claiming that their properties had been damaged by noise and vibrations caused by activities at MOD Shoeburyness.

Mr. Carswell: Everyone accepts that our armed forces need to train at Shoeburyness. However, many of the explosions are caused not by our armed forces' training, but by commercial waste disposal from which big corporate interests profit. Will the Minister give an undertaking for full transparency, so that local people are made aware of which explosions are being caused in the interests of our armed forces and which in the interests of crony capitalists?

Mr. Jones: I know that the hon. Gentleman is not a great supporter of our defence industries in this country, but let me tell him that the amount of ordnance exploded at Shoeburyness that is not related to training—this is, the disposal of ordnance that is out of date or that the MOD needs to get rid of in a controlled way—comes to 5 per cent. That is done in partnership with QinetiQ, a world-beating company that we should be proud of. As for trying to hamper us and put more in the way of our training, I am sorry, but that would be a misuse of the MOD's time.

Afghanistan

2. **Mr. David Jones** (Clwyd, West) (Con): What recent assessment he has made of the security situation in Afghanistan. [324444]

Hon. Members: Wake up.

The Secretary of State for Defence (Mr. Bob Ainsworth): My apologies: I think the problem is deafness rather than sleep.

As General McChrystal has said, the situation in Afghanistan is serious, but it is no longer deteriorating, and the international effort will make real progress this year. Already Afghan forces and ISAF—the international security assistance force—have successfully delivered improved security to the population of central Helmand through Operation Moshtarak. Working closely with our Afghan allies, the international community's next step will be to strengthen governance and security in Kandahar city.

Mr. Jones: Security in Helmand province has for years been the responsibility of British forces, many of whom have lost their lives in the process. What effect does the Secretary of State think it would have on our forces in Helmand if they were to be told, as has been suggested in *The Sunday Telegraph*, that they are shortly to be replaced by United States marines?

Mr. Ainsworth: There has been a substantial increase in forces going into Helmand. Some of those have been ours—we have increased our forces in Afghanistan by about 1,200 in a year—but the biggest single inflow has been from the United States of America. We have been very happy to work alongside US forces, and they now operate in the south of Helmand province—we very recently handed over Musa Qala to them. What we are involved in is a coalition effort: we have to work alongside our coalition partners, and that does not mean just the United States of America. In Helmand we have Danes and Estonians working in our area of operation alongside our forces, as well as those of the Afghans of course, so I do not think that there is a problem among our armed forces in recognising the need to work with others.

Ms Dari Taylor (Stockton, South) (Lab): Concern has been expressed about the impact of Taliban and al-Qaeda training camps in the North West Frontier province of Pakistan. Can my right hon. Friend say what assessment has been made of those camps, how effective they are, and to what extent the Americans now have a controlling impact on them, so that they cannot undermine the work being done by NATO and UK troops in Afghanistan?

Mr. Ainsworth: The overwhelming improvement that we have seen on the Pakistan side of the border over the past year or so has come about as a result of the efforts of the Pakistani Government and the Pakistani armed forces. Those forces have suffered great losses in some of the operations that they have conducted against insurgents in the FATA—the federally administered tribal area—and Waziristan. Those forces are bearing down on the insurgency on their side of the border, and we should recognise that and congratulate them. Of course we work with the Pakistani Government, as do the American Government and American forces.

Sir Menzies Campbell (North-East Fife) (LD): But in his carefully crafted answer, the Secretary of State declined to deal with the point that was raised a moment or two ago. Is there a proposal that British forces should be withdrawn from Helmand? Yes or no?

Mr. Ainsworth: Look, let me say to the right hon. and learned Gentleman that, as a result of the huge inflow of forces into the south of Afghanistan, there are a number of proposals as to how we approach the issue of command and control, and how we divide up our forces in order to ensure that all can be successful and that there is no gap in the security that we are providing. Those discussions are ongoing—

Sir Menzies Campbell: So the answer is yes.

Mr. Ainsworth: There may be people within the coalition, as the right hon. and learned Gentleman has read in *The Sunday Telegraph*, who believe that it would be a good thing for us to remove ourselves from Helmand to Kandahar. I would have to be persuaded—and I would take some persuading—that that was a good thing. We have developed a level of understanding of the situation in Helmand province over a period of time which should not be thrown away lightly. We have invested a great deal in terms of money and infrastructure, as well as of losses. This is something that we would have to be very concerned about before we would agree to doing it. However, we should not set our face against things as some kind of knee-jerk reaction; we should be prepared to discuss these issues with our coalition partners.

Mr. Speaker: If we are to make proper progress down the Order Paper, as I always seek to do, we need to make progress a little more quickly.

Dr. Liam Fox (Woodspring) (Con): On 19 April, during the likely general election campaign, the Government are likely to face a court case relating to the ability of UK forces to hand prisoners over to Afghan authorities. The case, brought by peace campaigners, could have major implications for our commanders in Afghanistan as a result of international and European human rights law. It is bad enough that our troops have to deal with warfare; now they have to worry about "lawfare" as well. Will the Government place before the House, before the Dissolution of Parliament, consolidated Ministry of Defence guidelines on the detention of personnel in Afghanistan, so that Parliament and the British people can make a judgment about the Government's position ahead of the court case, which many will regard with outrage?

Mr. Ainsworth: We do detain people in Afghanistan. Detention is an important part of the operations that we undertake there. Our forces are threatened by people in that country, and detention is therefore necessary. We also hand people over to the Afghans, and we have a clear memorandum of understanding about when and how we do that and about the safeguards that we seek to put in place. I will do as the hon. Gentleman asks and place in the Library a copy of our policy on detention—I had intended to do that anyway. I will do it as soon as possible; if not today, then tomorrow.

Defence-Related Employment (Tyneside)

3. **Jim Cousins** (Newcastle upon Tyne, Central) (Lab): What steps he is taking to maintain levels of defence-related employment on Tyneside. [324445]

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): There are many companies on Tyneside and in the related travel-to-work area doing important work for defence, and we are extremely grateful to them for the skills and dedication of their employees. Good examples include A & P, which is building sections for our two carriers on the Tyne. I have visited it twice, and on the last occasion was privileged to cut the first steel. I also visited Astrum in County Durham the other day; it is producing tracks for our armoured vehicles. I have visited BAE Land Systems, which has produced the Challenger, the Warrior and the Panther and is now working on the Terrier. BAE Systems is also opening a new ammunition factory in Washington, Sunderland.

Jim Cousins: The workers at BAE Systems' armoured fighting vehicle factory on Newcastle's Scotswood road have loyally backed up the efforts of our armed forces in Iraq and Afghanistan, but they now face job losses, and the run-down and possible closure of the plant, because of the loss of the specialist vehicle order. Was this because Tyneside was politically outgunned by Wales and Scotland, or because the management at the plant were incompetent? Will the Minister come to Tyneside to explain how this decision was made, and what the way forward for the workers will be?

Mr. Speaker: Order. The hon. Gentleman allowed himself three questions. We do not begrudge him that, but one answer will do.

Mr. Davies: It was neither of those two things. The contract award was made on value for money, which was a function of performance, reliability and cost. I understand my hon. Friend's disappointment about the decision, but we have to make such decisions on the basis of value for money. I would certainly be happy to accept his invitation to come to Newcastle and to meet the management and the work force again.

Improvised Explosive Devices

4. **Miss Anne McIntosh** (Vale of York) (Con): How many soldiers have been issued with protective equipment against improvised explosive devices; and if he will make a statement. [324448]

The Minister for the Armed Forces (Bill Rammell): All our deployed personnel in Afghanistan are equipped for the tasks that they are asked to undertake. This includes a range of protected vehicles, including the Mastiff and the Ridgback, which offer world-leading protection against improvised explosive devices. Comprehensive training is provided prior to deployment and on arrival, and a very large part of that training concentrates on IED avoidance and recognition.

Miss McIntosh: In pausing to remember the bravest of the brave who have made the ultimate sacrifice in dealing with IEDs, will the Minister tell us how many people on active deployment in Afghanistan are trained to find IEDs, whether there is a shortage of such personnel, and how many have left the service prematurely on return from duty?

Bill Rammell: No, I cannot and will not give that detailed information because if I do that publicly, I give it not only to the hon. Lady and our media, but to our

enemies in the form of the Taliban. What I can say is that nothing has been given a higher priority in our efforts in Afghanistan than countering improvised explosive devices. That is why we established a 200-strong force last April and why, as recently as December, we committed and reprioritised £150 million towards tackling the lethal threat we face from the Taliban in respect of IEDs.

Service Veterans (Mental Health)

5. **James Duddridge** (Rochford and Southend, East) (Con): What recent assessment he has made of the adequacy of long-term mental health support for armed forces veterans. [324449]

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): Initial results from the six NHS mental health pilot schemes are encouraging, with evidence that veterans feel able to access and use the services with confidence. The evaluation of these pilots will be complete later this year, with a view to all NHS mental health services rolling out special provision for veterans during 2011-12. Additionally, the medical assessment programme at St. Thomas' hospital in London continues to prove an important resource to veterans with mental health problems.

James Duddridge: I thank the Minister for that reply. What assessment has the Minister made of the number of veterans in prison, the number of them homeless and the number that, sadly, commit suicide? What more can be done for those groups of people?

Mr. Jones: We have completed studies on those three groups. On homelessness, we conducted a study with York university on the figures in London that showed 4 per cent. homelessness among the veteran population. As for the prison population, we have just completed a review of our data along with those of the Ministry of Justice, which showed that the prison population of veterans is about 4 per cent. We are subjecting those findings to more scrutiny to find out exactly what more can be done in mainstream services in prisons to support veterans.

Mr. James Arbuthnot (North-East Hampshire) (Con): A year ago, the Minister was good enough to meet Piers Bishop of Resolution, which has done groundbreaking work on mental health issues among our armed forces. Does Resolution still have a part to play on this issue, to which I know the Minister has given a great deal of personal attention?

Mr. Jones: We are always looking to work not only with the NHS but with third sector providers. Two or three weeks ago, together with the Department of Health, I was pleased to sign a partnership agreement with Combat Stress, which is now going to embed its mental health professionals in NHS trusts to act as champions for the mental health of veterans. We will consider any proposals on their merits.

Dr. Andrew Murrison (Westbury) (Con): The mental health pilots to which the Minister referred—I have visited one of them—are most welcome, but even if they were rolled out in a definitive programme, it would still mean that the majority of cases of combat stress would be undiscovered and untreated. The Minister is probably not aware that the medical examinations people are given when they leave the armed forces have not been updated for many years and they certainly do not reflect the level of service-related mental illness generated since 2003. Why has he allowed this obvious missed opportunity to endure, and will he partially redeem himself by offering to support our proposal to screen veterans for service-related mental illness both at the point of discharge and at intervals thereafter?

Mr. Jones: I am sad that the hon. Gentleman does not pay more close attention to what I am doing in my portfolio. A few weeks ago, I announced a new initiative whereby the medical records of those discharged will be transferred more seamlessly to the NHS. We also now have an agreement with the NHS whereby older veterans can have the fact that they served in the armed forces flagged up on their GPs' records. We continue to support the work and research of the defence study conducted at King's College, which is about to produce a report that will show the true effects of service not just on those who are serving now but on those who served many years ago.

Defence Spending (Commitments)

6. **Michael Fabricant** (Lichfield) (Con): What recent assessment he has made of the balance between UK defence spending and UK defence commitments. [324451]

The Secretary of State for Defence (Mr. Bob Ainsworth): In our planning rounds, we ensure that our plans deliver defence capability, that they are sound and that resources are allocated in line with defence priorities. I announced the main elements of the 2010 planning round on 15 December 2009. This included a package to spend £900 million more over three years on enhancements to support operations of the kind that we conduct in Afghanistan, on top of operational costs paid for by the reserve. In taking this decision, however, we had to prioritise rigorously and recognise that tough choices were required better to match the defence programme to the available resources.

Michael Fabricant: Given that the Treasury claims to scrutinise every capital project and reserves the right to intervene in such projects, may I ask who was responsible for the £1.4 billion cut in the helicopter programme? Was it the former Secretary of State for Defence, or was it the former Chancellor of the Exchequer?

Mr. Ainsworth: I think the hon. Gentleman is referring to decisions made in 2002-03 or 2003-04. He must accept that those decisions were made by the Ministry of Defence, not by the Treasury, and also that the position then was very different from the position now. We had 400 troops in Afghanistan at that time, and they were in the relatively benign area of the north, not in Helmand province.

Mr. Brian Jenkins (Tamworth) (Lab): When my right hon. Friend speaks of defence procurement, is he bearing in mind our defence industrial strategy? Can he promise the House that, as far as possible, we will always secure supply in this country in order to maintain our skills base and the sovereignty that we require?

Mr. Ainsworth: I cannot go as far as that. The aim of our defence industrial strategy is to ensure that elements of defence supply are secured in this country when we consider that to be important to the maintaining of our sovereign capability, and to ensure that we are able to continue to produce those elements. What I will not do is sacrifice, on a wider basis, capability and value for money when to do so is not appropriate, and is not justified by a clear need for that sovereignty.

Mr. Andrew Robathan (Blaby) (Con): On 17 March, the Prime Minister said that UK defence spending had fallen in real terms on one or two occasions. I think that "once or twice" was the term that he used. According to everyone else, it has certainly fallen twice, and has possibly fallen three or four times. Was what the Prime Minister said about its having fallen "once" true?

Mr. Ainsworth: Defence spending has risen substantially during the present Government's time in office. It has risen in real terms by 10 per cent.—just short of £1 billion a year, on average—which contrasts markedly with the massive reductions that took place during the last two years of Conservative government.

Jeremy Corbyn (Islington, North) (Lab): In the light of the agreement between Russia and the United States last weekend as part of the strategic arms reduction treaty, would this not be an appropriate time at which to reconsider the strategy of replacing the Trident nuclear missile system, which would both contribute to nuclear disarmament and save us all a great deal of money?

Mr. Ainsworth: My hon. Friend and I disagree in one fundamental respect. I believe in multilateral nuclear disarmament: I think that we should make every possible effort to bring about the reduction and, hopefully, the eventual elimination of nuclear arsenals throughout the world. I do not, however, believe in unilateral nuclear disarmament, and I do not believe that if we did as my hon. Friend suggests, we would add greatly to efforts to reduce nuclear armaments at this time.

Nick Harvey (North Devon) (LD): Last week the Chancellor committed more than £4 billion from the Treasury reserve for operations in Afghanistan. Given the increasing number of urgent operational requirements driving equipment spending to its highest level yet, what discussions has the Ministry had with the Treasury about eventual recovery of UOR funding, and what effect will that have on the longer-term defence budget?

Mr. Ainsworth: We have not had to repay moneys granted to us for urgent operational requirements. *[Interruption.]* We have not had to do that in any year. The full costs of operations—not just urgent operational requirements—are paid from Treasury reserves which are in addition to our budget.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Does the Secretary of State agree that there is a contradiction between the arguments of those who say that not enough money is being spent on defence while also saying that the break clauses in the contract for the aircraft carriers must be examined? [HON. MEMBERS: "Ah!"] I note that my view is supported by Opposition Members.

May I also ask whether the Secretary of State has received any communications from either of the main Opposition parties stating whether they will support the Government's proposal to proceed with the next stage of the Type 26 shipping order, and whether he thinks that the placing of that order was excellent, very excellent, or simply magnificent?

Mr. Ainsworth: It is clear that there are dilemmas in the Conservative ranks, and that they run wider than just the carriers and naval capability. Conservative Members say on the one hand that we are behaving in a profligate manner and signing contracts unreasonably, and, on the other, say that we are underfunding defence. They cannot have their cake and eat it; they must come clean about their policies and proposals.

Mr. Speaker: Order. May I very gently say to the Secretary of State that we must, of course, stick to the subject of Government policy?

Dr. Liam Fox (Woodspring) (Con): On 15 March the Secretary of State told the House that £5 billion was earmarked for Afghanistan next year, but on Budget day the Chancellor said that there was £4 billion from next year's reserve to fund operations in Afghanistan. Why the difference?

Mr. Ainsworth: There is £5 billion potentially from the reserve next year.

Service Personnel (Welfare)

7. **John Howell** (Henley) (Con): What recent progress has been made by his Department on improving the welfare of service personnel. [324452]

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): The Ministry of Defence has robust welfare provision that is kept under continual review to ensure that it remains fit for purpose. We have a responsibility to our service personnel, their families and veterans, and we take it very seriously. Recent improvements include the provision of extra facilities in Afghanistan to help service personnel keep in touch with their families, the creation of the Army recovery capability, and the review of the armed forces compensation scheme. We also published the service Command Paper on the nation's commitment to the armed forces, their families and veterans.

John Howell: At a recent surgery I held at RAF Benson there was a stream of criticisms of the MOD and MODern Housing Solutions, ranging from a family with a small child being left without hot water, serious gas leaks to walls running with mould. Given that in a written answer to me on 25 March the Minister admitted that there is not even a breakdown of complaints by location to better manage such problems, is this not symptomatic of the shameful disdain with which the Government treat the issue of service housing?

Mr. Jones: I am sorry, but I am not going to take any lessons from the Conservatives about investment in armed forces housing. At RAF Benson, 99 per cent. of the accommodation is either in grade 1 or grade 2 standard condition, which means that it either exceeds

or meets the Government's decent homes standard. In respect of MHS, I have put in place people who act as equivalents to estate managers, who do a very good job of dealing with individual problems. If the hon. Gentleman has a particular problem relating to the work of Defence Estates at Benson, or that of MHS, he should get in touch with me.

Nick Harvey (North Devon) (LD): The Public Accounts Committee report, "Treating Injury and Illness Arising on Military Operations", concluded that although the MOD's care of the seriously injured had to date been highly effective, there were concerns about whether it could cope with a significant increase in the number of casualties. What steps will the Minister take to formalise the current voluntary arrangements with the NHS to handle overflow military patients, and how might he ensure that there is a suitable environment for military personnel in civilian hospitals?

Mr. Jones: As the hon. Gentleman rightly says, the care our servicemen and women are getting at Selly Oak and Headley Court is second to none, and may I put on record our thanks to the dedicated staff that do that job? The NHS and Defence Medical Services put in place robust handling arrangements to deal with our surge of last summer, and we also put in place similar arrangements this year, although, thankfully, they were not needed. In April, health services will move to the new hospital at Selly Oak in April, which will have a state-of-the-art, military-dedicated ward for our servicemen and women who are injured on operations.

Dr. Liam Fox (Woodspring): On leave back home during their deployment in Afghanistan, a growing number of service personnel have been refused entry to pubs and clubs because some local authorities refuse to accept military identity cards, which have date-of-birth details, as proof as age. It is scandalous that our troops can die in Helmand but be refused a pint in their local. The Government have known about this problem for some time, so why has nothing been done? Will they now, in their last days, do something about it?

Mr. Jones: That is an issue for local authorities, but may I say that a number of public houses and businesses not only welcome our servicemen and women, but give them discounts and support the production of the military ID card? I would like the hon. Gentleman to let me know of any specific examples that he may have of where people have been turned away, because I agree that this is not an acceptable way to treat these brave servicemen and women.

Iran

8. **Mr. Stewart Jackson** (Peterborough) (Con): What recent assessment he has made of the security threat posed by Iran. [324453]

The Minister for the Armed Forces (Bill Rammell): We keep the security threat posed by Iran under continual review. Iran possesses conventional military capability that is both defensive and offensive in nature. We also remain concerned about Iran's intentions with regard to its nuclear programme. Iran should be under no illusion that without progress in addressing the international community's concerns tougher sanctions will be imposed.

Mr. Jackson: I thank the Minister for that answer. Does he believe that the Iranian Government are serious in their undertaking in respect of uranium enrichment abroad or does he believe that they are just playing for time?

Bill Rammell: A substantive offer of engagement has been made by the international community, which has been led, in particular, by the President of the United States. I regret that Iran has failed yet to embrace that offer of engagement. Iran needs to be in doubt that this is a matter of serious and real concern for the international community and that if there is not movement and engagement on the part of Iran, there will be—we will argue for and achieve this—much tougher sanctions.

Mr. Denis MacShane (Rotherham) (Lab): Do the Government agree with the statement made at the weekend by the NATO Secretary-General, Mr. Anders Fogh Rasmussen, that Europe now needs to develop a missile shield system to protect against a future Iranian missile—one with or without nuclear warheads?

Bill Rammell: There is a strong case for the missile shield, which is why the Government have supported the technology; the threat that the Secretary-General outlined, and to which my right hon. Friend refers, is one of the reasons for that.

Mr. Gerald Howarth (Aldershot) (Con): With Iran undertaking a major submarine-building programme, which military experts say could cause havoc in the Gulf, and Russia continuing its incursions into United Kingdom waters, why have the Government decided this week to scrap the Nimrod long-range maritime patrol aircraft? Who will provide the long-range search and rescue capability so lost from this week and who will protect our ships—at home and in the Gulf—now rendered vulnerable by Labour's cavalier approach to the defence of these islands?

Bill Rammell: On long-range search and rescue, the introduction of the MRA4 means that there will be substantially more capable aircraft than the MR2 in the RAF's fleet. In the period of transition until the MRA4 enters service we intend to use other assets, as available, in a long-range search and rescue role. The reason we take the decisions that we do is because we are responsible for these budgets and for prioritising Afghanistan as our main effort. As we have repeatedly made clear, the Conservative party is not committed to spending one penny more on defence than this Government are—in fact, the reverse is true because the Conservatives are not even prepared to commit to next year's spending. Until they do so, their words are simply hollow.

Afghanistan (Poppy Cultivation)

10. **Bob Russell** (Colchester) (LD): If he will make it his policy for UK forces to encourage the replacement of poppy cultivation by the growing of pomegranates in Afghanistan. [324455]

The Minister for the Armed Forces (Bill Rammell): The UK is supporting alternative livelihoods programmes in Afghanistan, which provide practical advice and support to farmers, to enable them to move away from

poppy cultivation. In Helmand, we are supporting Governor Mangal's counter-narcotics plan, which distributes wheat seed, fertiliser, saplings and seeds for summer crops, and the establishment of an agricultural school. Pomegranates are one option available to Afghan farmers.

Bob Russell: I thank the Minister for that response. I think there is agreement across the House that the solution will not just be a military one; it must be political and economic. On that basis, will his Department try to support the British charity POM354, which believes that the growing of pomegranates is more profitable for Afghan farmers than the growing of either wheat or opium poppies?

Bill Rammell: I know that the hon. Gentleman has taken a real interest in this issue and I agree with him that there cannot be an exclusively military solution in Afghanistan—there has to be a political one, too.

In respect of the particular proposal to which he is referring, James Brett, the founder of the charity POM354, met my hon. Friend the Under-Secretary of State for International Development. At that meeting, it was recommended that Mr. Brett should produce a detailed business plan that will not only help to maximise the programme's chances of success but help conversations with potential donors. I reiterate that advice and DFID officials are willing to provide advice on such a plan.

Alan Simpson (Nottingham, South) (Lab): I welcome the proposals to support the growing of pomegranates, wheat, raisins and alternative crops that have been proposed by Afghan farmers over many years, but does the Minister understand that for them the key issue is not what they will be encouraged to grow but who will be a secure buyer of what they grow? Has the Minister any plans to step in and at least recognise that the starting point for what they grow at the moment is the poppy crop and that we ought to be looking at ways in which that can legitimately be used for the production of diamorphine?

Bill Rammell: I genuinely disagree with my hon. Friend. I think that if we followed the path that he is advocating, in circumstances in which it is not possible to provide security across the board, we would simply be creating a second market for poppy cultivation. That is why—across government, with our international partners and supporting the Afghan Government—we must create an environment in which it is possible for alternative crops to be produced. I genuinely do not believe that the course set out by my hon. Friend would help us to achieve that.

QinetiQ

11. **Mr. Charles Kennedy** (Ross, Skye and Lochaber) (LD): If he will visit Kyle of Lochalsh and Raasay before resubmission of proposals on the future of QinetiQ operations to discuss the effects of those operations on that area; and if he will make a statement. [324456]

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): I would be delighted to visit Kyle of Lochalsh and the Raasay ranges. As the right hon. Gentleman will know, the proposals put forward by QinetiQ to rationalise those ranges have now been withdrawn. If in the future those proposals are resubmitted or if other proposals are made, I shall certainly visit the ranges before taking any decisions—as I did, as the right hon. Gentleman will recall, in the case of the Hebrides ranges last year.

Mr. Kennedy: I thank the Minister for that characteristically courteous reply and for his earlier letter to me on the matter, which will cause a good deal of reassurance locally. I hope that when a new report comes forward, if any does—it is rumoured that that might happen in the autumn—and perhaps he could give us an indication on that point—any such visit would involve all relevant community groups and Highlands and Islands Enterprise.

Mr. Davies: I cannot give the right hon. Gentleman any indication of any timing or, indeed, predict any particular proposals that might come forward in the next few months, but I repeat my offer.

Defence Spending (Commitments)

12. **Mr. Oliver Heald** (North-East Hertfordshire) (Con): What recent assessment he has made of the balance between UK defence spending and UK defence commitments. [324457]

The Secretary of State for Defence (Mr. Bob Ainsworth): For some reason that I do not fully understand, the hon. Gentleman has asked exactly the same question as the hon. Member for Lichfield (Michael Fabricant) and I refer him to the answer to that question.

Mr. Heald: It is an important question. The Secretary of State will know that in 1998, 1999, 2002 and 2007 the defence budget fell in real terms. As for the following years, in Kosovo, our boys had to go out and buy mobile phones because the radios did not work; in Iraq, the boots melted and their equipment and clothing were not right for those conditions, so they had to go and buy their own clothing; and in Afghanistan, there have not been enough helicopters, there have not been the right personnel vehicles and there have not been enough spares, so they have had to cannibalise equipment all over the world, causing chaos. Does not the Secretary of State accept that it is time, first, to admit that this system of logistics and procurement has been hopeless and secondly, to apologise for putting lives at risk?

Mr. Ainsworth: It is a travesty that the hon. Gentleman should so describe the situation that is faced by this country's very capable armed forces—one of the most capable armed forces in the world. I would say to him that we spend above average on defence, that there has been a substantial continuing increase in spending on defence and that we, in marked contrast to the party that he supports, guarantee that there will be an increase next year. I do not know what he intends to do about that, if he holds the views that he does.

Armoured Vehicles

13. **Ann Winterton** (Congleton) (Con): What his most recent assessment is of progress in the light protected patrol vehicle programme; and if he will make a statement. [324458]

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): Two contenders for the light protected patrol vehicle requirement are being assessed as part of the concept vehicle evaluation trial. It is expected that the trial will be completed in April.

Ann Winterton: In evaluating the two contenders for the new light protected patrol vehicle that will replace the Snatch Land Rover and, I hope, the Pinzgauer Vector, will the Minister ensure that, as well as having in-built blast deflection, it will retain the most valued attribute of the Snatch—enabling soldiers to exit quickly from the rear of the vehicle to defend and counter-attack with maximum cover?

Mr. Davies: I assure the hon. Lady that the tests to which the two contenders are being subjected are very thorough. They certainly involve blast protection and blast deflection and, indeed, rapid exit from and entry to the vehicle. She has put her finger on two absolutely vital points in the characteristic way that she does when she talks about military equipment.

Helmand

14. **Mr. Desmond Swayne** (New Forest, West) (Con): What recent progress has been made in military operations in Helmand province. [324459]

The Secretary of State for Defence (Mr. Bob Ainsworth): UK forces continue to work hand in hand with Afghan national security forces to build and maintain security in Helmand province. Progress on Operation Moshtarak grows, with insurgents being displaced from key district centres. Stabilisation activity continues apace, and increasing freedom of movement on key routes is aiding economic development. As I announced on 11 March, security responsibility for Musa Qala is transferring to US forces. This enables the redeployment of UK troops to the heavily populated areas of central Helmand, where the majority of UK troops are operating.

Mr. Swayne: The population of Helmand is overwhelmingly—indeed, almost exclusively—Pashtun, but the Afghan army, with which we want ultimately to replace British forces, is overwhelmingly made up of the Tajik minority. Is that a problem?

Mr. Ainsworth: It is one that President Karzai and his Ministers are seeking to address. Training has been stepped up quite considerably in terms of numbers, but he has to do everything, both in the police service and in the army, to get a representation of the whole country.

Resource Accounting System

15. **Robert Key** (Salisbury) (Con): What resources were allocated to his Department under the Government's resource accounting system in (a) 2002-03 and (b) 2003-04. [324460]

The Secretary of State for Defence (Mr. Bob Ainsworth): The total Ministry of Defence near cash budget was £26.8 billion in 2002-03 and £27.9 billion in 2003-04—an increase of more than £1 billion. Those are the only directly comparable figures, because the MOD did not have a non-cash Treasury departmental expenditure limit in 2002-03.

Robert Key: Does the Secretary of State agree that it is always a case of lies, damn lies and statistics, and that it is a matter of great regret that, since the Prime Minister lost his way on defence statistics, it has done nobody any good that we cannot trust the Government on their defence statistics? Does the Secretary of State agree that we really have to stop that, and that we have to have a perfectly straightforward, simple way, on which everyone can agree, of deciding exactly how much a Department is spending?

Mr. Ainsworth: I do agree, but I do not believe that it helps when issues are blown out of all proportion, sometimes deliberately, to disguise the overall situation. I do not believe that the hon. Gentleman, knowing him as I do, would sit there and deny that there has been a substantial increase in the defence budget throughout the life of the Labour Government. He knows that to be true, and I do not think that he should try to suggest that the case is otherwise.

BAE Systems (Samlesbury)

16. **Mr. Nigel Evans** (Ribble Valley) (Con): When he next intends to visit BAE Systems in Samlesbury. [324461]

The Secretary of State for Defence (Mr. Bob Ainsworth): I have no plans to visit BAE Systems in Samlesbury; the Minister with responsibility for defence equipment and support, the Under-Secretary of State for Defence, my hon. Friend the Member for Grantham and Stamford (Mr. Davies), did so on 24 February 2010.

Mr. Evans: I am glad to hear that. I am sure that while the Minister was there, he would have seen more than 5,000 people working in one of the top-class work forces of the world. Given that BAE Systems in Samlesbury works as a magnet for more than 6,500 other jobs in small and medium-sized enterprises, does the Secretary of State agree that when we are procuring, we ought to procure from the very best, which happens to be in the United Kingdom?

Mr. Ainsworth: Often that is so, and the north-west region, never mind the hon. Gentleman's constituency, plays an important part in our defence capability. We need to ensure that we maintain such capability in vital areas. If we are going to provide capability for our armed forces in the long term, we cannot afford to take short-term and short-sighted decisions. Sometimes we need to ensure that industrial capability remains in place, and that is what the defence industrial strategy is designed to do—I hope that the hon. Gentleman supports it.

Defence Spending (Commitments)

17. **Tony Baldry** (Banbury) (Con): What recent assessment he has made of the balance between UK defence spending and UK defence commitments. [324462]

The Secretary of State for Defence (Mr. Bob Ainsworth): Aha! Another hon. Member appears to have asked exactly the same question as the hon. Member for Lichfield (Michael Fabricant).

Tony Baldry: The Secretary of State might be aware that Lord Guthrie has recently observed that, because of the Prime Minister's attitude when he was Chancellor of the Exchequer, the military wanted to do many things but was unable properly to fund the 1998 strategic defence review, which the Cabinet had approved. Does the Secretary of State think that Lord Guthrie's comments are fair criticism?

Mr. Ainsworth: No, I do not, and I refer to the substance of the answer by my right hon. Friend the Prime Minister at the Chilcot inquiry—no one has been able to say otherwise. Every request that was made in regard to urgent operational requirements was met, and in every spending round while my right hon. Friend was Chancellor of the Exchequer, there was a real-terms increase in the defence budget. When those things are taken together, they add up to almost £1 billion a year.

Dr. Julian Lewis (New Forest, East) (Con): If our troops had as much armour on their vehicles as the Secretary of State has in his defence of indefensible statistics, they would be very safe indeed. However, even if we include the money from the Treasury reserve, is it not a fact that, as a proportion of gross domestic product, defence expenditure has declined over the lifetime of this Government?

This is the last question that Opposition Front Benchers will be asking of Defence Ministers, so may I point out that, during this sitting, there have been twice as many Conservative Members present as Government Members, with a solitary three Lib Dems? Does not that show how the different parties rate the importance of defence?

Mr. Ainsworth: I say to the hon. Gentleman quite genuinely that I am not dead certain about whether, after taking the urgent operational requirements into account, the fact that he cites is correct. The only thing that I would say to him is that, because of a Labour Government, the time that he mentions has been a period of unprecedented growth in GDP. *[Interruption.]*

Mr. Speaker: Order. Even though the hon. Member for New Forest, East (Dr. Lewis) seems to have wound the House up, it now needs to calm down.

Topical Questions

T1. [324468] **Mr. Bernard Jenkin** (North Essex) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Mr. Bob Ainsworth): My Department's responsibilities are to ensure that our country is properly defended now and in the future, and that our service personnel have the right equipment and training to allow them to succeed in the military tasks in which they are engaged, either at home or abroad.

Mr. Jenkin: Pursuant to the question asked by my hon. Friend the Member for Clwyd, West (Mr. Jones), what will the arrangements be to report changes in deployments in Helmand, now that the Secretary of State has confirmed that such deployments are in flux and under discussion?

Mr. Ainsworth: I want to keep the House as informed as I can about any developments but, fundamentally, these are military decisions. We have to try to ensure that we have the appropriate force density in the British area of operations, as we should in the American area, so that our troops and theirs have a good chance of success. I think that we now have the troop levels in Helmand province with which we can make real progress, and we have seen real progress under Operation Moshtarak. General Carter, who is in charge of not only Helmand province but the whole of the south, is of course always looking at how he deploys the forces available to him.

T4. [324471] **Mr. Don Touhig** (Islwyn) (Lab/Co-op): My right hon. Friend the Secretary of State's decision to award the specialist vehicle contract to General Dynamics—a British company—is most welcome, as it will help to preserve 10,000 jobs across the United Kingdom and will create 200 new jobs in my constituency. Does the Minister believe that that is a perfect example of a Labour Government working to protect our troops, and to safeguard and defend British jobs?

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): Yes, I do; my right hon. Friend puts it extremely well.

T2. [324469] **Tony Baldry** (Banbury) (Con): For a while, it was said that the Defence Storage and Distribution Agency was going to lose its agency status, and thus its chief executive. I now understand that it is to keep its agency status, and thus its chief executive. Which is it, because local staff are getting a bit confused? It is a bit like the hokey cokey. What do Ministers intend to do with the DSDA?

Mr. Davies: I have asked the chief executive of the DSDA, in conjunction and in consultation with his work force and the trade unions, to produce a five-year plan. I originally expected that at the end of March; I have been assured that it is coming by the middle of April. I will take decisions in the light of that.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): May I welcome the signing of the terms of business agreement with Babcock Marine last week, which confirms Devonport as the lead dockyard for warship maintenance? Given that role, will my hon. Friend the Minister confirm that the sooner the carriers start to be assembled the better, not just for Devonport, so that it can receive further streams of warship maintenance work, but for the royal naval capability that it represents?

Mr. Davies: I can assure my hon. Friend that under a Labour Government, the carrier programme is going full steam ahead. We are already working in five yards; work will start soon in the sixth and final yard in Birkenhead. We have made something like £1.2 billion-worth of subcontracts. The only thing that would endanger the carrier programme is the Tories, with the Notting Hill set at their head, who do not care at all about defence or anything about it, taking over the government of this country after the election.

T3. [324470] **Philip Davies** (Shipley) (Con): In 2004, the then Chancellor slashed the helicopter budget by £1.4 billion. The Government recognised that that was a mistake, and ordered an additional 22 Chinooks. What guarantees can the Secretary of State give that we will not have a repeat of the delays suffered in the Chinook Mk 3 programme, and that the Chinooks will get full release to service by 2013?

Mr. Bob Ainsworth: I just remind the hon. Gentleman that the mark 3 programme Chinooks were ordered under a Conservative Government. That was a disastrous procurement, and it took an awfully long time to sort it out. We are trying to make absolutely certain that we do not repeat the appalling mistakes of what is probably the worst ever defence procurement.

T9. [324476] **Laura Moffatt** (Crawley) (Lab): In the light of difficult projections for spending on defence, will my hon. Friend ensure that companies such as Thales, which have consistently stepped up to the plate and made sure that we procure the best equipment for our armed forces, are remembered, even in the face of what may be difficult decisions?

Mr. Quentin Davies: I agree totally with what my hon. Friend says about Thales, and that goes for all our major defence suppliers, on which we depend as a nation for our defence capability; we are extremely grateful for their efforts. As a matter of fact, I am visiting Thales on Wednesday.

T5. [324472] **Mr. Nigel Evans** (Ribble Valley) (Con): One of the flashpoints in the middle east is Iran's desire to have its own nuclear capability. Does the Secretary of State agree that it is important that we encourage the Gulf states to use pressure and their influence to dissuade Iran from that ambition?

The Minister for the Armed Forces (Bill Rammell): I agree with that assessment. We are in regular discussion with partners in the Gulf states, and I think that there is a strong degree of consensus. We need fundamentally to understand that if Iran were able to go ahead and develop nuclear capability, it would inevitably invite a response from other countries in the region, and the last thing we need in the middle east is a nuclear arms race.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): As we approach the general election, what provisions is the Ministry of Defence making to allow every single serviceman to have a vote that will be cast and counted?

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): We have had an ongoing campaign to ensure that people register for service votes, and the figure is now at 67 per cent. We have also put in arrangements to ensure that, where possible, postal voters' ballots are returned as speedily as possible. But overall, and for the longer term, I have had discussions with the Electoral Commission about possibly trialling e-voting.

T6. [324473] **Bob Russell** (Colchester) (LD): I believe that it was a triumph for parliamentary democracy when Members from all parts of the House came together and backed the Liberal Democrat motion on the Gurkhas. Would the Minister care to reflect on and clarify the criticisms that have been levelled recently? In particular, will he withdraw, and apologise to Joanna Lumley for, the comments that he made?

Mr. Jones: I already have, and any such comments were unintended. On the vote that took place last May, the Government have now put in place very robust procedures in Kathmandu to ensure that those Gurkhas who wish to settle here can do so free of charge—without being charged in any way. However, I would like to put on the record my wholehearted condemnation of those middlemen and unscrupulous operators who are charging Gurkhas. If the hon. Gentleman, like me, had visited Aldershot last week, as I know the hon. Member for Aldershot (Mr. Howarth) did, in order to see Gurkhas—many of them more than 60 years old—who have come here with expectations that, frankly, will never be realised, he would be rightly angry. I certainly am on that point.

Andrew Mackinlay (Thurrock) (Lab): May I ask the Secretary of State about an Unprinted Paper deposited in the Library by Group 4 Securicor, which calls it a "concept paper"? The firm invites the Government to outsource comprehensively the

"Training Support and Regular Army Assistance Table"

and the function that armed forces carry out in lieu of fire services when there is a pandemic—a term that is used in the paper—or industrial action. Will he repudiate that paper, say that it is a non-runner and confirm that this Labour Government will simply not entertain what it outlines? It would be a bridge too far.

Mr. Bob Ainsworth: I have not read the paper, and I am not aware of the detail. I know that my hon. Friend has asked me a couple of questions, and, if he wants me to, I shall happily meet him so that he can expand on his concerns.

T7. [324474] **David T. C. Davies** (Monmouth) (Con): We have learned that generals will now be forced to travel second class, along with MPs—for whom I fully agree with the proposal. But, will Defence Ministers and senior Ministry of Defence staff also be forced to travel second class, or will it just be the men and women who do the fighting?

Mr. Kevan Jones: That is part of a review within the Ministry of Defence to ensure that, in terms of our travel, we get best value for money. For example, last week I travelled second class on two occasions. Clearly, there are reasons, such as security, why others have to travel first class, but we are looking throughout the Department at how we can get the best value for money not only out of rail travel—*[Interruption.]* Hon. Members say "Ministers", but I have travelled with easyJet on a number of occasions to ensure cost-effectiveness. The important point is that we ensure that we get value for money out of every defence pound that we put forward. I am sure that the hon. Gentleman would not object to that.

Jeremy Corbyn (Islington, North) (Lab): Will the Secretary of State tell us when his Department plans to come to the House to seek spending authority for the replacement of the nuclear missiles in the Trident missile fleet, and how much has already been spent on preparatory work for the creation of a new missile system?

Mr. Bob Ainsworth: I know that my hon. Friend follows that issue closely, and he will therefore know that there has been some delay in our ability to reach a maingate proposition. That will now, I think, take place around about the end of the year.

Angus Robertson (Moray) (SNP): Last Friday at RAF Kinloss, the Nimrod MR2 fleet was retired, and we pay tribute to all the personnel and families associated with the mighty hunter. But, given the importance of search and rescue top cover, will the Ministry of Defence provide some detailed assurances, stating that there will be no capability gap until the introduction of the MRA4?

Bill Rammell: I reiterate to the hon. Gentleman what I said earlier: the MRA4 will bring a substantial enhancement of capability, and in the transition period until the MRA4 enters service we intend to, and will, use other assets, as available, in the long-range search and rescue effort.

Ms Dari Taylor (Stockton, South) (Lab): Army, air and sea cadets deliver an excellent service within many of our communities in the UK. Is it not time that the House acknowledged this and that the team from the MOD initiated a debate so that we can all celebrate everything that they deliver to our communities?

Mr. Kevan Jones: I congratulate the cadet force on its 150th year. I thank my hon. Friend for her involvement in her local cadet force. Cadet forces are a force for good in local communities. I also put on record our thanks to the thousands of adult volunteers who make the cadet experience possible. If she suggested a debate in the House, I would be very pleased to celebrate the fantastic job that cadet forces do.

T8. [324475] **Mr. Edward Timpson** (Crewe and Nantwich) (Con): What progress is the Ministry of Defence making in negotiating a settlement with the atomic veterans claimant group before the Government return to the High Court on 4 May, at yet further vast expense to the taxpayer?

Mr. Jones: As the hon. Gentleman will know, I have announced a review into the health needs of nuclear test veterans. There is ongoing litigation. We have had talks between the two sides to see whether a settlement can be reached. Unfortunately, that has not been possible. However, I am determined to ensure that I continue to work with nuclear test veterans' groups to ensure that the support that we can give to nuclear test veterans for their health needs, and generally, continues.

Mr. Denis MacShane (Rotherham) (Lab): When I asked the Library about defence spending from 1997 to 2003, I was told that it had gone up by 17 per cent. in real terms—an extra £7 billion. Is not the responsibility for how that money is allocated really with our commanding officers and senior MOD bureaucrats rather than being something to be blamed on the Chancellor of the Exchequer at the time, whoever he was?

Mr. Bob Ainsworth: As I have said, and as we have repeated a number of times over the past hour but received no effective response, the defence budget has gone up by almost £1 billion on average per year—a substantial real-terms increase under the Labour Government, in marked contrast to what happened in the last couple of years of the Conservative Government who preceded us.

T10. [324477] **Michael Fabricant** (Lichfield) (Con): Defence Ministers have rightly praised the work of doctors and nurses at Selly Oak. Ministers will know that the Defence Medical and Education Training Agency is about to move to Whittington barracks near Lichfield. Will someone please make a statement on the progress on that installation?

Mr. Kevan Jones: I thank the hon. Gentleman for his support for Defence Medical Services and the move to his constituency. Plans are ongoing. The budget as regards accommodation is in place for this year, and the plans should come to fruition at the end of this year to ensure that we have not only support for our injured servicemen and women but world-class defence medical services.

European Council

3.33 pm

The Prime Minister (Mr. Gordon Brown): With permission, Mr. Speaker, I would like to make a statement on the European Council held in Brussels last Thursday and Friday.

First, I am sure that the whole House will join me in paying tribute to Lance Corporal of Horse Jonathan Woodgate from the Household Cavalry Regiment and Rifleman Daniel Holkham from 3rd Battalion the Rifles. They lost their lives fighting in Afghanistan. We owe them the greatest debt of gratitude for their courage and their service.

Their sacrifice reminds us that terrorism is an ever-present danger which requires vigilance and the willingness to take tough action in all areas where terrorist groups operate. So I know also that the thoughts of the House—and indeed our country—are with the Russian people today after this morning's terrorist attack on the Moscow transport network. I have written to President Medvedev this morning to send our condolences to the victims and their families. I pay tribute to the Russian emergency services and the people of Moscow as they have responded to this appalling attack.

The focus of the European Council last Thursday and Friday was on actions needed to secure growth for the future and on Europe's determination to bring new impetus and momentum to the international negotiations on climate change. Last week's Budget set out our proposals for the next stage of economic recovery. It made it clear that the risks to recovery remain real and that we must avoid a premature withdrawal of stimulus measures, instead seeing through our commitment to halving the deficit over four years without choking off the recovery itself. The European Council agreed that

"The economic situation is improving, but the recovery is still fragile".

It concluded that while deficit reduction plans must go ahead, measures to reduce the stimulus should be taken only once recovery is secured. That is the position that we, like our European partners, will continue to follow.

In our Budget, we also set out the actions that we must now take to secure jobs and growth by investing in the key growth sectors for the future. The Council's conclusions agreed that Europe needs

"to deliver more growth and jobs"

to boost European competitiveness and productivity. Before the financial crisis, the imbalances within Europe were at an all-time high. The Council agreed that

"The EU needs to focus on the pressing challenges of competitiveness and balance of payments developments".

It also agreed to develop a new strategy to deliver higher levels of long-term growth and recognised that the key elements of increasing productivity and growth include action on employment, on research and development, on reducing greenhouse gases to boost low-carbon industries and on education and social inclusion. The European Council will now, once a year through a leaders' annual economic summit, assess the progress achieved at both national and European level in delivering those objectives.

The Council also discussed the economic situation in Greece. Agreement has now been reached by the euro area member states on a set of guidelines for Greece, and I am encouraged by the statement from the eurozone leaders that the eurozone will meet its responsibilities. There was no request for the United Kingdom to make any contribution to that programme, and none of the arrangements agreed by the European Council will see any powers being ceded from Britain to the European Union.

One year on from the G20 summit in London, we also discussed Europe's plans for the next G20 summit, which is to be held in Toronto. The Council agreed that "rapid progress" is now required on strengthening financial regulation and supervision within both the EU and the G20, while we also need to ensure a level playing field for financial centres worldwide. In particular, we agreed that progress is needed on the issues of capital requirements, systemic institutions, financial instruments for crisis management, transparency on derivative markets and the implementation of internationally agreed principles for bonuses in the financial services sector. The Council agreed to make rapid progress on those issues, concluding work on the new European supervisory framework in time for the European systemic risk board and the three European supervisory authorities to begin work in early 2011.

We must also agree in Toronto a co-ordinated approach to levies on the banks to deliver a fairer balance of risk and reward in the financial system. That is something that I have been advocating for some months, and the Council agreed that as part of the G20's work:

"The Commission will shortly present a report on possible innovative sources of financing such as a global levy on financial transactions". The Council and the Commission will report back on these issues to the June 2010 European Council, ahead of the Toronto summit."

The Council also discussed climate change, ahead of the first meeting of the advisory group on climate change financing, established by the United Nations Secretary-General, which I am co-chairing with Prime Minister Meles of Ethiopia. Our pledge on climate change finance is a vital first test of the commitment of the developed countries to meeting the promises made in Copenhagen. The Council concluded that Europe would rapidly and unconditionally implement its commitment to providing €2.4 billion annually for fast-track financing for developing countries, and to that end the EU

"will initiate consultations on practical ways"

to implement that in specific areas. There will be a presentation on those commitments at the Bonn summit. The Council confirmed that Europe's objective remains a

"global and comprehensive legal agreement"

and that Europe will "strengthen its outreach" to other countries to galvanise negotiations in the coming months.

The euro area's economic growth is predicted to be just 0.7 per cent. this year and next, recovering to 1.5 per cent. in later years. By contrast, world growth is projected to be 3.5 per cent, so we need stronger European growth to help deliver stronger growth and new jobs here in Britain. Europe is the world's largest trading bloc and also the world's largest internal market. It offers 500 million consumers for British companies. With 3 million UK jobs linked to the EU, and still more than half our exports going to the EU, Britain's livelihood is inextricably linked to the success of the European economy. Distancing ourselves from Europe makes no sense and would hold back our economy, our companies and people in work. It is by working with, not against,

[The Prime Minister]

our European partners to deliver jobs and growth for Europe that we will help to deliver jobs and growth for Britain. I commend this statement to the House.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in paying tribute to Rifleman Daniel Holkham and Lance Corporal of Horse Jonathan Woodgate, who have been killed in Afghanistan in the past few days. When one thinks of what Jonathan Woodgate had already been through, it is a reminder of what an exceptionally brave young man he was. It also reminds us that what we ask of our servicemen and women today is exceptional; we need to refresh and renew the military covenant in every way that we can.

I also agree with the Prime Minister that we should send a clear message of sympathy and solidarity to the Russian people after the appalling outrage on the Russian metro. We are tragically familiar with such an event in this country, too.

I want to ask about three issues that were discussed at the summit—the EU economy, financial regulation and climate change. First, on climate change, the summit rightly said that we must redouble our efforts to achieve the global deal that we all want and push ahead with practical action to cut emissions. The UK has the lowest contribution from renewable energy of any major EU country—just 6.8 per cent. of our electricity and, in total, 2.5 per cent. of our energy comes from renewable sources. Why has so little progress been made?

Secondly, on financial regulation, President Obama spoke about a tax on wholesale funding, but, as the Prime Minister has said, the summit conclusions referred to a transaction tax. Would not a tax on wholesale funding rather than a transaction tax be more likely to help keep business here in Britain?

The summit conclusions mention the need for greater economic co-ordination. There was some controversy about whether we will end up with any new treaty changes. Should not the Prime Minister make three things clear today? First, any talk of "economic government" in Europe is wrong. If he agrees, can he explain why the phrase remains in the French version of the eurozone statement? Secondly, should we not rule out any new treaty change that increases EU control over our economic policies? Thirdly, should we not change the law in the UK so that any treaty that proposed handing over new areas of power from Britain to Brussels would automatically be subject to a referendum, as is the case in Ireland?

It is good to see the Prime Minister smiling so nicely, as he does on all our posters—it is good to see him in that sort of positive mood. There are plenty more where they came from. *[Interruption.]* If he will not put himself on posters, we have just got to do it for him.

On economic policy, does the Prime Minister agree with the Europe 2020 strategy document, which says that

"sound public finances are critical for restoring the conditions for sustainable growth and jobs"?

Given that, will he comment on the serious news today that Standard & Poor's has stated yet again that the outlook for Britain's triple-A credit rating remains "negative" and that

"additional spending measures will likely be required"

to tackle the debt burden?

Europe's leaders talked about a bail-out for Greece, and Portugal's credit rating is being downgraded. However, is not Britain borrowing more this year as a share of our economy than either Greece or Portugal? Did not the same agency that downgraded Portugal's credit rating say last week that Britain's finances are "vulnerable"?

The European Commission says that "a number of countries" may have to start tackling their deficits this year. Given that Britain and Ireland have the worst budget deficits in the OECD, to which countries does the Prime Minister think it was referring?

On unemployment, business closures and the decline of manufacturing, the UK clearly has some real problems. Why, therefore, does he propose to raise taxes on small businesses and hike national insurance on everyone earning more than £20,000 and on every single new job in this country?

The Chancellor admitted in the Budget that there was £11 billion of waste in Government spending, but he proposes to do nothing about it until 2011. Why is not he tackling the waste this year rather than putting up national insurance for hard-working people next year? Have not the Prime Minister and his Chancellor created one of those great dividing lines that they like so much? Labour stands for waste and taxes, and the Conservative party stands for efficiency and aspiration. As the Prime Minister contemplates his national insurance increase on employees and employers, what on earth makes him think that the way to rescue an economy from the longest and deepest recession on record is a tax on jobs that hits every single business in the country? *[Interruption.]* He says that he wants to talk about Europe—I am talking about our economy in Europe and our failure in Europe.

The Prime Minister used to go to European meetings to lecture others about their economic policies; now the reverse happens. He thought boom and bust had been abolished and that he could borrow with impunity; he never prepared for a rainy day. Were not those catastrophic misjudgments? Will not the British people be paying for those misjudgments for another generation? Is not his latest misjudgement to sit back and let the waste, the taxes and the debt pile up even more? Is it not the case that we need a Government who will get on with tackling the waste, stopping the tax rises and securing growth for the future?

The Prime Minister: First, let me share with the right hon. Gentleman our sympathies, as I mentioned earlier, for those families whose loved ones have died in Afghanistan, and our sympathies for the Russian people as they face a terrorist incident of very substantial proportions today.

Let me also agree with the right hon. Gentleman that climate change is an important issue that Europe and the rest of the world must continue to address, that we must move forward on the Copenhagen summit, and that we must get a worldwide framework for a climate change agreement. He asks that renewables should be at a higher level in this country, and I agree with him that we should have higher investment in renewables. That is why we are making plans for public investment in renewables at the same time as the Conservatives oppose them. If I may say so, that is why we are asking councils to approve wind farms, while just about every Conservative council is trying to hold back that policy.

The right hon. Gentleman mentioned the issue of a levy on financial transactions, which is something that we have been proposing for some time. Originally, the Conservatives opposed it; then they said they would support if it was at a multilateral level; then they said they would support it even if it was not done multilaterally; and then they retreated into saying that they would support it if it was multilateral. That is about a policy a day, but it is the same policy that is being reinterpreted every day. That is the reason that people have very little trust in Conservative economic policy.

I come now to the European Council discussions on the economy. I just have to say this: why does the Conservative party want to attack the European Union all the time? Three million jobs depend on our European membership, more than 50 per cent. of our trade depends on Europe, and 750,000 companies depend on Europe, so why does the right hon. Gentleman want to go to the European Council—if ever he were elected—to say that he wants to renegotiate our treaties in respect of membership of the European Union? Why does he want to repatriate the social chapter and employment legislation to Britain? Why does he threaten that he is going to have a sovereignty Act for this Parliament to suggest that the law affecting the European Union could somehow be modified and amended by doing so? Why does he resist the European advice that we should work together so that we do not put the recovery at risk?

The announcement by the Conservative party today was first to withdraw £7.5 billion from the economy this year—*[Interruption.]* The right hon. Gentleman says that it is good to hear that, but he also wants to withdraw the support that is necessary for the economy to have a sustained recovery. The first thing that the Conservatives have done today is make it more difficult for us to retain the jobs, businesses and industrial infrastructure that are necessary, despite the fact that every bit of advice that we are getting—and that he is getting—is that we must maintain the investment necessary for recovery.

The Conservatives must explain why, at a time when people are worried about the recovery, they wish to withdraw support for the recovery. The second thing that they have got to explain is their panic measure today on national insurance—*[Interruption.]*

Mr. Speaker: Order. I gently say to the Prime Minister that I know he will want to focus his reply very specifically on the European Council—*[Interruption.]* Order. The shadow deputy Chief Whip has got something wrong with his head and I am worried about him. He does not have to keep shaking it. The Prime Minister will talk about the Council and, of course, the policies of the Government.

The Prime Minister: The policy of the Government is to make sure that we have a sustained economic recovery; the Conservative party policy, I am afraid, would put that recovery at risk. Then the Conservatives are going to spend nearly £30 billion on tax cuts in the next five years, which puts front-line public services at risk. People will understand that these panic measures by the Conservatives will not help a recovery, that they will mean public spending cuts and that they will put sustained investment in our economy at risk.

We are the party that believes in Europe: it is the party opposed to Europe. We can see that if the Conservative party had ever been willing to change, it would have changed on Europe. It has not changed on Europe, and it has not changed on anything else.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I wish to add my own expressions of sympathy and condolence to the family and friends of Rifleman Daniel Holkham, from 3rd Battalion the Rifles, and Lance Corporal of Horse Jonathan Woodgate, from the Household Cavalry Regiment, both of whom tragically lost their lives in Afghanistan this week.

I also wish to join the Prime Minister in expressing our condolences to the families and friends of the dozens of victims injured and killed in Moscow. Londoners especially, given the horrors of 7/7, will feel a strong bond of sympathy for the families of commuters affected in Moscow.

I thank the Prime Minister for his report from the European Council. It will most probably be his last European Union summit. I imagine that he will be feeling some relief about that, given that in a few short years he has gone from lecturing his colleagues in Europe on how not to run an economy to teaching them how not to run an economy by example. At last week's summit, the Prime Minister called in some of the few favours he has left from his colleagues in Europe to delay a decision on the alternative investment fund managers directive. Instead of defensively trying to stave off damage to the City, why did he not take the chance to show real leadership on the reform of our banking system? Real leadership is breaking up the banks. Real leadership is imposing an additional levy on their profits until that is done. Real leadership is getting banks lending to small, viable companies that are going to the wall.

Will the Prime Minister report on any conversations that he had with President Barroso, the President of the European Commission, as this summit was after all their first meeting since the Commission issued its damning verdict on the Prime Minister's handling of Britain's huge budget deficit? No doubt the European Commission will today be equally dismayed by the shiny promises of tax cuts from the shadow Chancellor, who is not in his place—he must be preparing for the mauling that he will get on television tonight. He has no idea how he will pay for those tax cuts. Labour and the Conservatives seem to be competing to come up with the most ludicrous fantasy announcement paid for with bags of gold found through efficiency savings. I am not sure who is winning, but I am certain that no one is falling for it.

On the bail-out for the Greek Government, as the Prime Minister knows, instability in the eurozone can and will rapidly turn to instability across the European Union, which will affect us too. Given that, I found the lack of details about the potential Greek bail-out a little concerning. Yes, Greece has not yet formally asked for help, but we have a deal on the table that is meant to calm the markets' nerves but gives us very little in the way of detail. The Prime Minister is frowning, but can he tell me what will be the exact role of the IMF in this deal? How will the burden be broken up between the other eurozone countries? What is the maximum level of support likely to be given to Greece in the event that it asks for help and, crucially, what conditions will be put on Greece in return for this support?

The Prime Minister: I will tell the right hon. Gentleman the facts. There is a limit on the amount of support that the IMF can give. It is limited by its constitution and how it has always done things. That is a matter that we will discuss with both the IMF and the eurozone at the right time. It is limited by the regulations that it has.

On the right hon. Gentleman's other points, in the Budget last week we reached agreement with the banks about £92 billion of additional lending in the next year. We also reached an agreement—and said in the Budget—that proper supervision of that would be needed, so that the public and small businesses could be assured that the money was being paid to them. So we are setting up a small business mediator who will act on behalf of small businesses to try to resolve the issues that have left them without the funds that they need—*[Interruption.]* An Opposition Member says that that is ridiculous, but we have to protect small businesses to ensure that they can grow. As far as the banks are concerned, we are taking the necessary action.

As far as directives are concerned, we did not accept the compromise proposed by the European Finance Ministers. We will therefore renegotiate that over the next period of time, because we are determined both to have proper regulation of those industries and, at the same, to allow companies to have access to the full range of countries in the internal market, and that is what we are doing.

As for ludicrous policies, the right hon. Gentleman would win the race any day.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I prefer the Prime Minister's posters with a smile to the Leader of the Opposition's airbrushed images. There were reports in the press over the weekend that Angela Merkel is calling for economic government, which would require treaty changes. If that were to be the case, can I press the Prime Minister to make a commitment that that would also involve a referendum in this country?

The Prime Minister: We made it clear a few months ago—this was a decision that we asked the European Union to make—that there would be no further constitutional or institutional change of that sort over the next 10 years. We made it absolutely clear that the European Union should not be contemplating further constitutional or institutional change in the way that is suggested. As for improving the way the European Union works, there is a case for that improvement to be made, and we will join those forces at work in this taskforce to ensure better and improved governing of the European Union.

Mr. David Curry (Skipton and Ripon) (Con): Does the Prime Minister agree with the French Finance Minister Christine Lagarde that the eurozone has no hope of achieving sustainable recovery while the huge problem persists of a massive German trade surplus and persistently low consumer demand in Germany, and will he express those sentiments to the German Chancellor when he meets her?

The Prime Minister: I am grateful to the right hon. Gentleman for his comments, which are, in essence, supportive of our economic policy. I am grateful for that, first, because in the European Council conclusions we say that we have to look at the issues that have arisen from the severe imbalances in the European Union. Secondly, it is clear from what he says that he supports the maintenance of a stimulus and the public support necessary for the economy to have sustained recovery. In that, he is at odds with those on the Conservative Front Bench, who want to take £7.5 billion out of the economy, which would mean lost jobs, lost businesses and lost economic progress.

Mike Gapes (Ilford, South) (Lab/Co-op): Did the Prime Minister have the opportunity, either in the meeting or at the margins of the meeting, to have any discussion with his colleagues about the issues of international terrorism to which he has referred? In particular, was there any discussion about the prospects for European Union involvement to try to reactivate the negotiations in the middle east or about the situation in Iran?

The Prime Minister: I have talked about this on a bilateral basis with President Sarkozy and with Chancellor Merkel, and, outside the European Union, with President Obama. As far as the middle east peace process is concerned, we want the proximity discussions to move forward, and we want George Mitchell, the American mediator, to have all the necessary power to move them forward. As for the discussions in relation to Iran, Iran has not been prepared to accept the offer made by the major countries to help it get civil nuclear power without having nuclear weapons, which are a danger to the region and the world. We are contemplating what we must do next, and I believe that there will be pressure for a United Nations resolution.

Sir Peter Tapsell (Louth and Horncastle) (Con): Will the Prime Minister bear in mind that following the ratification of the Lisbon treaty, despite his breaking of the pledge that there would first be a referendum on the subject, he assured us, as a sop, that there would not be another European treaty for at least 10 years, a pledge that he has repeated this afternoon? So how does it come about that we are now asked to contemplate the establishment of a super finance ministry for Europe, which would certainly require another treaty and would certainly lead to Berlin being able to dictate British tax policies?

The Prime Minister: That is not the proposal.

Mr. Dennis Skinner (Bolsover) (Lab): Does the Prime Minister recall any conversation at all by the other countries in respect of joining the euro? Because I have a good idea for a poster, which the Tories will never produce: "Gordon Brown kept us out of the euro. Five conditions. Superb leadership." I think it would be a good idea for us to do that.

The Prime Minister: That was a difficult decision, but it was the right decision. In other areas, such as the financial crisis, we have also made the right decision, even when the Tories have proposed the wrong one.

Mr. Julian Brazier (Canterbury) (Con): The Prime Minister's opening remarks on the casualties in Afghanistan and on the terrorist attack in Moscow will receive widespread support. At the European Council, did he

raise the issue of the terrorist threat to Europe and the poor performance in Afghanistan by most of our European allies?

The Prime Minister: This was a meeting to discuss two specific things: the economy and climate change. Of course, in the bilateral meetings that I had with President Sarkozy, Chancellor Merkel and others—and with the President of the European Council, Mr. Van Rompuy, and with the presidency, in the form of the Spanish Prime Minister—the issue of terrorism was uppermost in our minds. We have to persuade some of our allies that we need to increase the police presence in Afghanistan, and that we have to increase the number of police trainers to raise the number of effective, trained police there. I believe that President Sarkozy has been meeting President Obama to talk about exactly these issues. We have increased the number of trainers that we have made available for policing in Afghanistan, and we are looking forward to other countries doing the same.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): Does my right hon. Friend agree that any reasonable person—and any reasonable political party that is interested in more than just appeasing its anti-European factions—would recognise that a serious response to the recession requires common effective action at European level? Will he tell me whether the continuing problem of the higher unemployment among young people than among the population at large was discussed at the Council, and whether specific measures for tackling it were considered by our various European partners?

The Prime Minister: There are more than 20 million people unemployed in Europe, and the attention of the European Council was on what we can do to raise growth in Europe so that we can get unemployment down. The way to do that at the moment is to ensure that we maintain the support for our economy, and that support is maintained for the European, American and other economies, until the recovery is fully secured. I am working with 27 countries in total—26 and us—and they all agree that we should maintain the support that is necessary for the economy. I can think of only one party competing for government in the whole of Europe that is against that, and that is the Conservative party.

Angus Robertson (Moray) (SNP): We associate ourselves with the Prime Minister's comments about the loss of service personnel and the deaths in Moscow. We should also like to mark the funeral today of Billy Wolfe. Billy led the Scottish National party with distinction through the 1970s, and we pay tribute to his efforts to banish weapons of mass destruction from Scotland.

The Prime Minister must have discussed economic best practice among EU and non-EU member states at the European Council over the weekend. Will he explain how it has been possible for Norway to have a sovereign wealth fund that is significantly larger than the UK deficit?

The Prime Minister: I join the hon. Gentleman in his tribute to William Wolfe. I have to say to him, however, that when people talk about non-EU countries, they often refer to what was sometimes called the arc of prosperity, and the SNP often talks about the parallels between Ireland, Iceland and Scotland. That arc of prosperity collapsed a few months ago.

Mr. Denis MacShane (Rotherham) (Lab): May I disagree with the Prime Minister when he says:

"Distancing ourselves from Europe makes no sense"?

Surely it does make sense to distance ourselves from politicians who support the Waffen SS, who are climate change deniers or who have odd views on what happened to the Jews in world war two. Surely it makes sense to distance ourselves in particular from homophobic Members of the European Parliament. Listening to the Leader of the Opposition reduced to absolute speechlessness while trying to defend them last week was a collector's item.

The Prime Minister: I think that the British people would be shocked if they heard what Conservative Members of the European Parliament were doing in that Parliament. Only a few days ago, a number of Conservative MEPs voted against proposals to support the automatic exchange of information needed to crack down on those seeking to hide their money from the tax authorities. So here in Westminster they are saying that they want openness and transparency, but in Europe they are voting for the very tax havens that we know Lord Ashcroft has been very much a part of.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): In the context of future changes to the governance of the European Union, of which the Prime Minister has just spoken, will he tell us whether he told his colleagues at the Euro Council that any proposal to transfer significant power from the United Kingdom to the European Union would have to be the subject of a referendum in the United Kingdom? If he did not tell his Euro colleagues that in the Council, will he please tell the House that now?

The Prime Minister: I have already mentioned the agreement made a few months ago that there would be no further institutional or constitutional change in the European Union for the next 10 years. Any colleagues in the EU know precisely what the British position is. Unlike the Conservative party, however, I am prepared for Britain to be part of a taskforce to look at how we can improve the management of the EU; only people who are blinded by Euroscepticism would oppose any form of co-operation in Europe.

Nigel Griffiths (Edinburgh, South) (Lab): Will my right hon. Friend give a cast-iron guarantee that he will reject the policies of Conservative Euro MPs who tour America denouncing our national health service?

The Prime Minister: Those people who said that the national health service was a 60-year-old nightmare were completely wrong. The NHS has been for many millions of people a 60-year-long liberation from ill health and disease. I think the Conservative leader should be ashamed of some of the people he supports in the European Parliament.

Mr. William Cash (Stone) (Con): Does the Prime Minister accept that the Greek and the Portuguese crisis demonstrates that the European Union is in systemic failure? Does he also accept that by collaborating with the proposals for economic government, which he has done under the surface and directly in agreeing to the

[Mr. William Cash]

statement, he is in fact betraying the British people? As President Barroso said, it is time for Europe to talk the truth.

The Prime Minister: Every time the hon. Gentleman speaks on Europe, we hear that he wishes to see the European Union fail, and every time he talks about Europe, it is as if he has a visceral hatred of everything European. I am sorry that his views are shared so widely within the Conservative party.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): "Pink and smooth like a baby's bottom" or "A bit rough and grumpy". Which poster would the other European leaders prefer?

The Prime Minister: The non-airbrushed one.

Mr. Hugo Swire (East Devon) (Con): Since this Government came to power, the burden on British businesses from EU regulation has risen from £6 billion to almost £6.5 billion a year. Is the Prime Minister proud of that record? Is it something he took the trouble to discuss with his European colleagues at a time when many British businesses are struggling and suffocating due to over-regulation?

The Prime Minister: Of course we want to cut down on unnecessary regulation. We have made proposals in the EU, as we have in Britain, to do so. I would have thought that the hon. Gentleman would start his question by acknowledging that there are 750,000 companies trading with the rest of the European Union, that 3 million jobs depend on our membership of it and that we should support our exporters by co-operating in the EU. It is only the Conservative party that seems to think that having a permanent conflict with the EU is in Britain's interests. That is not in Britain's interest; co-operation is.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): The Prime Minister mentioned his pledge on climate change. Why, then, has the UK so abjectly failed to meet its obligations under the landfill directive and failed to follow the lead of many other EU countries in developing energy from waste projects?

The Prime Minister: The landfill levy has been strengthened over these last few years. It is our desire to make sure that we do everything in our power to use our waste effectively. Unfortunately, the hon. Gentleman, again, is so blinded against the European Union that he cannot acknowledge that the way to move forward is through greater co-operation with the EU on climate change issues, that we should be pressing to reopen negotiations that failed in some respects at Copenhagen, that the Bonn summit is the way to do so and that we should support Chancellor Merkel in doing that. We need co-operation on the environment if we are going to move forward in Britain, Europe or the rest of the world. It is global and European co-operation that we need, rather than conflict between us in Europe.

Mr. Peter Bone (Wellingborough) (Con): Last year, the British taxpayer paid £3 billion to the European Union. Next year, the British taxpayer will pay £6.6 billion to the EU. Is it not strange, at a time when the Government are planning public expenditure cuts, that an additional £3.6 billion is paid to the EU? Does the Prime Minister agree that we cannot go on like this and that it is time for change?

The Prime Minister: It is very interesting that every single question from the Conservative Back Benches has repeated the anti-European position of the Conservative leader. Is it not amazing that not one person has stood up and said, "I support the European Union"? Although the Conservatives have a Back Bencher who did so, he is not even bothering to stand again at the next election. The Conservative party is fundamentally Eurosceptic and anti-European Union.

Bob Spink (Castle Point) (Ind): Did the Prime Minister discuss referendums at the summit so that British people could vote on the Lisbon treaty, which all three main parties promised them they would be able to do? Or does he think that the British people have simply got it wrong?

The Prime Minister: We secured all our negotiating objectives, and made sure that the constitutional treaty—as it was talked about—did not become a constitutional treaty in the end. As for the Conservative party, I accept that it gave an iron-cast guarantee that there would be a referendum on the European Union, but, like the Conservatives' iron-cast guarantees on so many other things, it fell away.

Adam Afriyie (Windsor) (Con): Lance Corporal of Horse Jonathan Woodgate served in the Household Cavalry in Windsor. I add my condolences in respect of Lance Corporal of Horse Woodgate and those who have gone before. We must never underestimate their contribution to our security.

It seems to me that—whether in a European Union or in a world context—the Prime Minister has certainly led our country, but has led us into being the first into recession and the last out of it. Does he accept any responsibility whatever for the decisions that he made?

The Prime Minister: We have talked about this many, many times in the House of Commons. We had a global banking crisis, and we had to deal with it. If we had taken the advice of the Leader of the Opposition, we would still be in recession. On every big decision, he and his shadow Chancellor got it wrong, wrong and wrong again.

Points of Order

4.11 pm

Angus Robertson (Moray) (SNP): On a point of order, Mr. Speaker. Nearly two weeks ago, at Prime Minister's Question Time, the Prime Minister assured me that he would look into whether a No. 10 staffer had taken part in a conference call discussing the suitability of Stephen Purcell in July 2008. Asked about that yesterday on the BBC's "Politics Show", the Prime Minister said that he would investigate the matter, which seems to suggest that he had not looked into it at all.

Given your recent ruling on the reasonable length of time that Ministers have in which to reply to Members, Mr. Speaker, could you guide me on how the Prime Minister can be encouraged to do what he says he is going to do?

Mr. Speaker: The hon. Gentleman has put his views, and indeed his dissatisfaction, fairly and squarely on the record. As he knows, however, and as the House is aware, responsibility for the content of answers is not a matter for the Chair.

Bob Spink (Castle Point) (Ind): On a point of order, Mr. Speaker. All directory enquiry services, including 118118, are giving my office number instead of the House of Commons switchboard number to people who ask for the telephone number of the House of Commons. Since 18 January this year, we have been fielding your calls and everyone else's calls. The various directory enquiry services will not change that number unless PICT—the Parliamentary Information and Communications Technology department—tells them to do so. PICT has been on the case for several months, and has still not done that. Can you help, Mr. Speaker? It may be funny—I admit that it is amusing—but it is not good for the public image of this place if members of the public are passed from pillar to post, notwithstanding the charm and efficiency of my office staff.

Mr. Speaker: I am very grateful to the hon. Gentleman, who is obviously extremely perturbed about this important matter. It is, however, something that he should follow up with the director of PICT, and I have a feeling—just a hunch—that she will be hearing from him very soon.

Second Home Ownership (Regulation)

Motion for leave to bring in a Bill (Standing Order No. 23)

4.14 pm

Dan Rogerson (North Cornwall) (LD): I beg to move,

That leave be given to bring in a Bill to give planning authorities the power to require change of use planning permission before existing or new homes can become second homes; to require the Secretary of State to examine the options for using this power to limit the change of use of full-time homes to part-time occupation; to allow local councils to levy business rates on second homes; to provide for small business rate relief not to apply to second home owners; and for connected purposes.

It has been my honour to represent the people of North Cornwall, and I have consistently raised the proliferation of second-home ownership and its effect on rural communities. The problem is not limited to my constituents, of course; it affects many rural areas throughout the country. My hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) has referred to it, and Members on both sides of the House are aware of it.

As my constituency includes the long stretch of coastline running from Crantock up to Morwenstow, it has a huge tourist industry, and we welcome the many visitors who come every year to enjoy the coastal scenery, as well as those who travel inland to see our wonderful towns and village communities across Bodmin moor. That large influx of visitors supports the local economy and brings many new perspectives, but increasing numbers of them want to grab a piece of the area that they can keep, and keep returning to, by buying a second home.

In 2008, a parliamentary answer to my hon. Friend the Member for Westmorland and Lonsdale included figures for second-home ownership broken down by local authority area. At that time, about one in 10 homes in the area covered by the former North Cornwall district council was a second home, but the real figure, arrived at if properties that have incorrectly been registered as holiday lets are taken into account, is probably much higher. In some areas, however, second homes meet other demands. That is particularly the case in urban settings, so I am especially concerned about the situation in rural areas, where homes that were previously residential are taken into holiday use and are ultimately left empty for much of the year.

To find out why that is a problem, I encourage Members of all parties to come and talk to my constituents. They might want to stay in a hotel or at a campsite and enjoy the Cornish countryside, and thereby support the local tourist economy, but while they do so they might also discuss with local residents how this issue affects them. In many communities, it has inflated house prices, and the consequent decrease in the local population has led to declining school rolls and, ultimately, to the closure of small schools. It has also led to the closure of post offices because of declining business. It can pose challenges in the recruitment of retained firefighters, too, as those who protect their area by providing such crucial services are forced to move away from the communities where their families have historically lived to move further inland, perhaps, or into the towns.

High house prices force local people out. Sometimes they are forced out of Cornwall entirely, or at least to areas further from the coast. They are often forced to

[Dan Rogerson]

travel further to work, therefore, and they are also forced on to the affordable housing waiting list—but, in common with other parts of the country, we already have a long waiting list.

The Government have often sought to turn this issue into one that is purely about the need to build new affordable housing. That is a crucial issue, and I support the aim. My party has long supported community land trusts, and we now have them functioning in Cornwall. We have also supported many other ways of adding to the supply of affordable housing. The second home problem is a separate issue, however, and it is getting worse.

Some have said to me that fewer people are investing in second homes in the current economic climate. Unfortunately, however, that is not the case. In an article recently posted on the propertycommunity.com website, Mr. Liam Bailey, head of residential research at Knight Frank, said that complaints from locals in second-home hot spots had been a long-standing issue and that the "uplift" in local pricing "can be dramatic." He gave examples, saying that prices in one community in Cornwall were 131 per cent. higher than the local average. He also highlighted communities such as Rock and Trebetherick in my constituency and Bamburgh in Northumberland, where, he said, there were

"second home price uplifts of between 90 per cent. and 100 per cent."

The article also states:

"The number of second homes in England rose by 2.6 per cent. in 2009".

It added that that followed a small

"fall of 0.4 per cent. in 2008"

and that this

"rise, which equated to 6,212 additional second homes, pushed the total to an all time record of 245,384".

Mr. Bailey further believes that that growth in demand will continue:

"Early indications this year suggest that supply in the main second home hotspots is still 20 per cent. below the long term average."

So the pressure on prices will remain. It was reported this month in the *Western Morning News* that another estate agent, Savills, has said that the revival of big City bonuses and poor returns from other investments were continuing to drive the trend, that 43 per cent. of prime stock bought in Cornwall over the past four years was for use as a second home and that prices in Cornwall were just 8.5 per cent. off their highest watermark in 2007.

We face a particular problem in North Cornwall, where the increase in house prices from 1999 to 2009 was 230 per cent., which compares with an average increase in rural Great Britain of 118 per cent. over that period, so the problem is continuing to get worse. Some people have said that that means that a lot of those properties will always be out of the reach of local people. Although that may be true, those properties fall within a housing a market and any influence at the top of a local area's housing market has a knock-on effect all the way down the chain, hauling up prices and making properties more unaffordable.

What can we do about this problem? The use of taxation is an option that has been suggested, but I am concerned about the basis on which some sort of punitive tax regime could be introduced. Use classes orders, such as those proposed in the Bill, have been proposed consistently by my party over a number of years as a means to tackle this problem. We are not the only ones to have done so; the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) has proposed a similar change.

I referred to this matter in my maiden speech in 2005. I was thus delighted to give evidence to Elinor Goodman's Affordable Rural Housing Commission and to read its report when it was issued in May 2006. The report recommended using the planning system to deal with second home proliferation. The Government picked up on a number of the report's conclusions and although they moved to action those, they ran away from tackling the issue of second homes.

In 2008, I served on the Public Bill Committee considering what became the Planning Act 2008 and tabled an amendment that would have allowed local authorities to suggest that the Secretary of State employ use classes orders, which were needed to tackle local problems. That may have had relevance in other areas, because the Department has picked up on the issue of studentification and has come back with possible change of use requirements in respect of houses in multiple occupation. The Department has looked at that approach, but just not in respect of second homes.

More recently, my hon. Friend the Member for Truro and St. Austell (Matthew Taylor) was invited by the Prime Minister to undertake an inquiry on the state of the rural economy. My hon. Friend took evidence from a wide cross-section of people and organisations, and produced an excellent and well-evidenced report, "Living Working Countryside", which was published in July 2008. Yet again, the Government agreed to act on a number of key recommendations but, lo and behold, they refused to tackle the second home issue. My hon. Friend's report had again proposed that the planning system ought to be used as a means of tackling it, and he suggested piloting such an approach in the national parks. The Government response was cruelly dismissive towards people in local communities, stating that the Government were

"not persuaded that the 'problem', such as it is, could be tackled effectively through the planning system."

In other words, the Government were not persuaded that the planning system was a route by which the problem could be tackled, despite having said that it was possibly a route by which other issues, such as studentification, could be addressed.

I and other hon. Members have repeatedly raised this issue, which is crucial to local communities such as those in North Cornwall. We need action to be taken to resolve the problem, and it seems to me, as it has seemed to those who have undertaken detailed study of it, that the planning system is the way that the problem could be solved. The Government could at least take that on board and explore ways in which such an approach could be applied. I hope that the Bill, if it progresses, will make a contribution towards tackling this problem, which is crucial to rural communities around the country.

Question put and agreed to.

Ordered,

That Dan Rogerson, Julia Goldsworthy, Andrew George, Mr. David Heath, Mr. Elfyn Llwyd and Mr. David Drew present the Bill.

Dan Rogerson accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 23 April, and to be printed (Bill 98).

Ways and Means

Budget Resolutions and Economic Situation

AMENDMENT OF THE LAW

Debate resumed (Order, 24 March).

Question again proposed,

That –

(1) It is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance.

(2) This Resolution does not extend to the making of any amendment with respect to value added tax so as to provide –

(a) for zero-rating or exempting a supply, acquisition or importation,

(b) for refunding an amount of tax,

(c) for any relief, other than a relief that –

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.

4.25 pm

The Secretary of State for Communities and Local Government (Mr. John Denham): This country has faced the deepest recession in living memory and the Budget outlines how we will secure the recovery and the future in a way that is sustainable and fair. The Budget is a new growth plan for the future. At its heart is a £2.5 billion one-off growth package to help small business, promote innovation and invest in national infrastructure and key skills. It is a Budget to secure the recovery, tackle borrowing and invest in our industrial future. It continues targeted support for businesses and families where and when it is needed and it sets out how we will stick to our plan to halve the deficit within four years.

When the global recession hit, we faced a choice as a Government: to stand aside and leave the economy to the markets or to step in and protect people from the worst effects. The Opposition could have joined us, but they did not. They turned their backs on people up and down the country. Their do-nothing approach would have left communities to fend for themselves. They were wrong then and they are wrong today, and they would put the recovery at risk.

There are signs of desperation from the Opposition. Two months ago, they said that not doing more on the deficit was "moral cowardliness." We then heard from them about spending promises on the married man's allowance, tax give-aways for the richest estates, selling off the banks at a discount rate rather than getting taxpayers' money back, and last week they implied that there would be billions extra to increase personal allowances. Today, it is national insurance contributions. They are promising the impossible: tax cuts, deficit cuts and spending commitments all at the same time. It is an incompetent economic plan that would put the recovery at risk.

My right hon. Friend the Chancellor made the tough decision to put an extra penny on national insurance, but that will come into effect only in April 2011, after

[Mr. John Denham]

the recovery is secured, and 60 per cent. of the revenue from our fair tax increases comes from the wealthiest 5 per cent.

We took action during the recession. We stepped in because we believe that it is Government's responsibility to help people during difficult times. That is why we have helped businesses, allowing them to spread more than £5 billion of tax over a more affordable period through the time-to-pay service. It is why extra job advisers and other measures are in place, so that unemployment is running at 500,000 less than that expected by independent forecasters last year. It is why we put in place help for people struggling with their mortgages, through which 330,000 families received help or advice over the past year.

Government action has helped people get through the recession, and businesses and families have been prepared to tighten their belts and take tough decisions. A strong competitive global economy for the future cannot rely on only one area or business model, but should rely on a diverse economy where everyone can play their part and has the opportunities they want. The Budget outlines how the Government will build that new recovery.

The Opposition do not have a growth strategy. We know that the shadow Business Secretary said a few days ago that the words "industrial strategy" send a shiver down his spine. Renewing our infrastructure is a vital part of the recovery. A strong country and a strong economy need a strong and modern infrastructure. Our transport, water, waste, communications and energy infrastructure needs to be built for recovery and to pave the way for a low-carbon economy. We need to invest in that modern infrastructure.

We can renew regional economies, renew and reinvent the manufacturing base, and build new competitive strengths in technologies, services and creative industries by investing in the skills, research and technologies that support them. The Government have already invested heavily in infrastructure, with more than £150 billion invested in transport networks over the past decade, and we have now set out plans for a new high-speed rail network. The "Strategy for national infrastructure", which was published last week, gives an overview of the current state of the UK's infrastructure. It identifies the challenges and opportunities, and sets out the areas for action. We will create a green investment bank to invest in low-carbon infrastructure, particularly in transport and energy, and we will invest an additional £250 million in making further progress on the managed motorways programme and other transport projects.

The Government have always sought to ensure that all parts of the country benefit from economic growth. Their action and investment have helped to narrow the gap between the most deprived neighbourhoods and the national average on health, crime, education and worklessness. Ten years of public investment and the creation of the regional development agencies have paid huge dividends—restoring our universities and science base to world status and closing a lot of the backlog in investment in Britain's transport system and infrastructure. There has been huge investment in apprenticeships and skills, and we are a far stronger country because of that, as we work to secure the recovery.

Supporting strong regions and regional recovery is not the policy of the Opposition, however, who are committed to scrapping the RDAs. That would threaten regional economic recovery, put at risk the strategic investment in jobs that the RDAs are helping to create, and bring uncertainty when every business group says that we need to build confidence. Every area of the country should share in the increased prosperity that will come with recovery, so Regional Ministers will have a bigger role in promoting growth to make sure that their areas benefit. They will be supported by a regional growth fund that is to be established by the RDAs to promote investment and support growth. Strong city regions will have more autonomy and freedom to promote growth, and accelerated development zones will be piloted to support projects that deliver key infrastructure and commercial development in our cities.

The Budget will ensure that there are opportunities for all as we recover from recession, and no one will be left behind. We will support low-income households by increasing the national minimum wage to £5.93, and we will increase support for families. We will extend the young person's guarantee beyond March 2011 to ensure that young people continue to be guaranteed training, work experience or a future jobs fund job if they cannot find work within six months. Everyone should have the opportunity to work and to thrive in their job, and no one should be left to a life on benefits. Today, my right hon. Friend the Secretary of State for Work and Pensions has published a Command Paper that sets out how we will guarantee help for people who do not find employment after two years and how we will introduce more individual and personalised help to people who are looking for a job.

In the recession of the 1990s, repossessions soared and the building industry took years to recover. Last year, we committed more than £2 billion to building an additional 20,000 new affordable homes for rent and low-cost sale and 20,000 homes on privately developed sites. The Opposition opposed the measures that will create and protect 45,000 jobs and 3,000 apprenticeships. When we made it a condition that apprenticeships should be created when public money is used to build new housing, the shadow Minister for Housing said it was "ridiculous" and "counter-productive". Housing investment of £7.5 billion, over two years, will fund the building of up to 112,000 affordable homes to rent and buy and about 15,000 private sector homes. It will also support an estimated 160,000 jobs directly in the construction and related industries and will create 3,000 apprenticeships, as I have said.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): My right hon. Friend will be aware that when the Select Committee on Communities and Local Government had a one-off sitting on housing and the credit crunch, all the witnesses from the house building and housing association sectors clearly welcomed what the Government were doing and said that it was not enough. Can he think of anyone from the house building sector who thinks that the Government should cut back their support for construction?

Mr. Denham: My hon. Friend, who chairs that Select Committee, makes an important point. I am not aware of a single voice in the housing industry who believes that investment in housing should have been cut last

year. It is fair, however, to point out that, in January 2009, the right hon. Member for Witney (Mr. Cameron), the Leader of the Opposition, called for a cut of more than £1 billion in my Department's budget, nearly all of which—about £800 million—would have fallen on the housing programme. If the official Opposition's policies had been followed, far from building more houses, as we have done, there would have been fewer houses.

It would be interesting to find out whether any hon. Member believes that the country would be stronger today if those thousands of homes had not been started and if the thousands of people employed to build them had been out of work. I cannot see a single Member in the Chamber who thinks that the country would have been better off if we had not invested in those houses, yet the Conservative party's policy was that those houses should not have been built, that people should not have been employed and that apprenticeships should not have been created. All the rolling of eyes in the world cannot get away from the fact that that was, and remains, Conservative party policy. I am pleased that we have created jobs and that we are building homes for families in the future, and that has helped this country to get through the recession.

Looking to the future, the need for new affordable housing has only been intensified by the recession, so we will need to ensure—we set out how we will do this in the Budget—that local authorities allocate the land needed to support recovery in house building. That is in stark contrast to the approach of the hon. Member for Meriden (Mrs. Spelman), who wrote to local authorities to urge them to resist plans to allocate land for housing, although that has been widely condemned by everyone associated with housing and the construction industry. Withdrawing the fiscal stimulus early, as the Conservatives propose, would cut house building by perhaps half, because 40 to 45 per cent. of all recent new-starts have depended on public investment.

We need to take further measures to boost the housing market. We are introducing a two-year stamp duty holiday for first-time buyers for homes costing up to £250,000, which will help nine out of 10 first-time buyers. However, to pay for that, we will introduce an additional 5 per cent. stamp duty rate for homes costing more than £1 million—that is a fair approach. By reforming the council house finance system, we will let councils fund and run their own local housing stock. Some 10 per cent. extra will be released for maintenance so that homes do not fall below the decent homes standard again, and capacity will be provided to build 10,000 new council homes a year by 2014-15.

The Government believe that cutting the deficit does not mean damaging the front-line services on which people rely. The Budget continued our commitment to making £11 billion of savings a year by 2012-13 through greater efficiency and streamlining government, which includes £8 billion of savings set out in the operational efficiency programme. Local government can deliver savings of £2.1 billion towards that total in areas including greater collaborative procurement, increased back-office efficiency and the greater use of shared services. Up to £100 million can be saved by reducing energy usage in local authorities. My Department will identify savings of £200 million to be delivered in 2012-13, including through operational efficiency, work to reform our arm's length bodies, and a new approach to the regional tier of government.

Our public services must be as efficient, responsive and citizen-focused as possible. Through Total Place we are establishing the most radical changes in the delivery of public services for many years. We have high expectations of our public services. We want higher quality services that are more tailored to individual needs but more cost-effective, but not the bleak vision of the Conservative party's proposals for Ryanair councils under which people pay once in council tax and again in top-up charges for a decent service.

Mr. Michael Ancram (Devizes) (Con): The right hon. Gentleman spoke about efficiency savings. I quite see that savings can be made through greater efficiency, but why do we have to wait two years to start making those savings?

Mr. Denham: The answer, of course, is that action to produce efficiency savings is already well under way. In the current spending review—we are about to enter its third year—there is £35 billion-worth of efficiency savings. More than £5 billion of that will come from the local government sector, for which I am responsible. The programme of making efficiency savings is well established and will continue to develop; next year, we will continue to increase the savings that we make. Clearly, some savings take more time than that to be put in place. The development of greater shared services cannot be done on day one; these things have to be planned. That is why the Government have in place a credible programme of efficiency savings that we are delivering now, in this spending review, and we have set out further operational efficiency savings in the Budget. I think that the right hon. and learned Gentleman will give the Government credit for the consistency with which we have approached the drive for efficiency savings across local government and other public services.

Total Place has demonstrated the great value that can be gained for citizens and taxpayers by putting the customer at the heart of service design, and by working together to improve the outcomes of services and eliminate waste and duplication. In the Budget report, we set out a reduction in targets and in ring-fencing, and further reforms to the inspection system. That will be for all local government, but we have also set out two ways forward for local areas, local government and other public services. First, there is the single offer, where we encourage local authorities and other public services to have a pooled budget and to look at the redesign of services right across their local areas. Secondly, there are areas where local government and other partners may want to take a different approach to, for example, the provision of services for children, offenders or elderly people; again, they will have greater freedom to deliver and design services locally. Those approaches will produce radical changes in service delivery. They will produce better services for people, and they will offer greater possibilities for efficiency savings.

As we grow through recovery, the Budget sets out the Government's support for business. For expenditure incurred from April 2010, we will double the threshold for the annual investment allowance to £100,000 a year from £50,000. On capital gains tax, we will extend the entrepreneur's relief from the first £1 million to the first £2 million of gains made over a lifetime. We will work with industry on modifications to the enterprise investment scheme and venture capital trusts.

[Mr. Denham]

The Opposition are intent on scrapping capital allowances, but that would cripple the chances of advanced manufacturing developing here in Britain. It is no wonder that the Engineering Employers Federation has said that the move would be "a disaster", and today warned that it would mean businesses having

"to think twice about investing in the UK."

We have supported small and medium-sized enterprises throughout the downturn, and will do more to support them in recovery. UK Finance for Growth will oversee more than £4 billion of SME finance products created by the Government to support small and medium enterprises. That includes the growth capital fund, for which £200 million of cornerstone investment has been raised so far from the private sector and Government. There will be a generous temporary increase to the level of small business rate relief. We expect more than 500,000 businesses in England to benefit, many by well over £1,000, and approximately 345,000 businesses will pay no rates. The Opposition have proposed postponing the business rates revaluation, which would increase business rates for 60 per cent. of businesses in this country from April.

The Budget pledged to reduce the barriers to public procurement for SMEs. If the whole public sector increased the amount of procurement that went to smaller businesses through the supply chain by 15 per cent., it would mean up to an extra £15 billion of business.

Of course, Britain is home to strong businesses and investment, and is a leading centre for research and innovation. The Government will support innovation in the UK even when finances are tight. The pre-Budget report announced that we would reduce the rate of corporation tax on income from patents to ensure that the UK remains an attractive place for innovative industries. We will invest up to £25 million in the university enterprise capital fund to provide crucial early-stage funding for promoting university innovations. The Budget confirmed £30 million of investment for an institute of web science, a joint venture that is to be based at Southampton and Oxford universities, ensuring that the UK remains at the forefront of internet development.

The future economy depends on the students of today, and we are taking a long-term view of growth by investing in skills in the Budget. A £270 million modernisation fund will enable universities to identify and deliver efficiencies over the next four years and fund 20,000 extra undergraduate places on courses starting in 2010-11. The Budget also provides updates on wide-ranging improvements to enterprise education, including £15 million to extend it to further education colleges and primary schools.

The future economy must be a low-carbon economy. Taking action on climate change will generate new business opportunities and highly skilled jobs in the sectors of the future, and modernising the UK's energy infrastructure will be the key to laying the foundations for sustainable growth. The green investment bank will support new energy projects, with an initial focus on offshore wind electricity generation, and we will help millions of people save money and energy by developing pay-as-you-save financing arrangements.

That is a positive programme for our country, but the Opposition—with their opposition to industrial activism, regional development agencies and regional investment, and their plans to abolish allowances, reduce reliefs and penalise firms that want to make serious investment in the low-carbon industries currently developing here in the UK—do not share it.

The Budget that my right hon. Friend the Chancellor introduced last week is realistic and optimistic. It is realistic about the challenges ahead, which is why it sets out a clear plan to more than halve the deficit over four years; and it is optimistic about Britain's strengths, which have seen us through recession and will build a better economy through infrastructure and growth in recovery. That is why we will not heed the calls from the Opposition to cut now and risk recovery; to cut now and risk a double-dip recession; or to cut public spending, just as they did in the 1980s and '90s, when the recession was still under way, so that unemployment kept rising for months and years after the recession finished. We will not heed their calls to undermine business confidence and threaten jobs. That is the Conservative way, which failed the country before and would do so again.

I have outlined the Government's plans for growth, and for supporting new jobs, businesses, families and the economy. We must secure the recovery, not put it at risk; we must support new industries and future jobs; we must protect front-line services, not cut them; and we must stand up for the many, not the few. I commend this Budget to the House.

4.47 pm

Mrs. Caroline Spelman (Meriden) (Con): I am delighted to have this opportunity to debate the Budget. It is just a shame that the Secretary of State did not start with a moment of contrition and regret, noting that this country is more deeply in recession than its competitors, and that his Government have only themselves to blame for that. It would have been nice if he had opened with a slight reflex to all those who have suffered as a consequence.

The important thing—absolutely—is growth, so the extent to which we successfully deliver growth throughout the country will define our ability to compete with other countries, which emerged from the recession stronger and earlier than we did. In turn, that success or otherwise will define the job opportunities for our children and the public services for our families. With almost half of all jobless people aged 18 to 25, my goodness we have a responsibility to provide that growth for the new generation.

The Budget should have been the blueprint for securing growth and getting our country moving again; it should have been the chance to demonstrate that our country was open for business again, but it was neither: it ducked national debt and sidestepped stimulating growth. It was a missed opportunity, and one for which the country will not thank Ministers.

Let us start with the business community.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Will the hon. Lady give way?

Mrs. Spelman: In due course. If the hon. Gentleman does not mind, I shall develop the argument about the business community.

The Secretary of State, as I am sure the hon. Gentleman heard, said that he had helped business, but all the Chancellor had to offer struggling business was a temporary increase in the small business rate relief. That year-long

measure will be a tiny grain of comfort to small businesses which have seen business rates soar as a result of the botched revaluation. The fact is that the burden of business rates is rising, not falling. It has driven many businesses to the wall, and when the new bills are issued, it will sound the death knell for many more.

Since Labour came to power the average business rate bill has risen, from £6,500 to more than £12,000. Even when that figure is adjusted to real-terms increases, it is still the case that the increase has by far and away outstripped retail prices index inflation. Measures such as ending empty property rate relief and forcing through questionable revaluations have all tightened the ratchet on struggling businesses. Is it not telling that, according to the Budget, business rate revenues are forecast to rise by £1 billion—an increase of 4.2 per cent? How can that possibly be described as helping business? The cost of the temporary increase in rate relief is a fraction of that, coming in at £210 million.

On that basis—let us be very clear—this Budget was proof positive, were it needed, that this Government's priority is increasing tax on businesses. Just as the increase in national insurance is a tax on jobs, which we have pledged to reverse, so the business rate revaluation is a tax on growth. In just a few days' time, the latest business rate revaluation will come into effect. It will send bills soaring through the roof because it is based on the peak of the commercial property market. It will make many businesses no longer eligible for small business rate relief.

Mr. Betts: The hon. Lady mentioned national insurance increases. As far as I understood it, the Conservatives' policy was to concentrate on, and say they were giving greater priority to, cutting the national debt. How does that square with the fact that since the Budget the shadow Chancellor has made one major commitment, which is that if the Conservatives get into power they will not go ahead with the national insurance increase, adding £7 billion to the cost of the debt?

Mrs. Spelman: The hon. Gentleman will have heard the Secretary of State explain that he too, and his Government, would fund some of their priorities from efficiency savings. We recognise the damage that the increase in national insurance will do to our economy at a fragile time, and we have fully costed this proposal.

Many businesses will no longer be eligible for small business rate relief, which, incidentally, we have proposed should be made automatic. The impact on businesses, particularly small businesses such as pubs, which in the rural economy may be the only business in a village, or petrol stations, the cause of which my hon. Friend the Member for Ludlow (Mr. Dunne) has championed, will be disastrously affected, with, no doubt, many being sent to the wall.

In Northern Ireland, the revaluation was postponed because it was accepted that it would be very damaging to economic growth, so why inflict it on England? Do Ministers believe that it will not harm growth prospects in England? They certainly cannot base that belief on any impact assessment, because they have not bothered to do one.

Mr. Denham: I am sure the hon. Lady will be able to clarify this point. Sixty per cent. of businesses will see their bills fall as a result of the revaluation that she wishes to postpone. How does she propose to assist those businesses—the majority—whose rates would rise as a result of the policy that she has put forward?

Mrs. Spelman: The rating revaluation was based on commercial property prices in April 2008—pre-credit crunch. How can the Secretary of State possibly claim that its basis is fair or realistic in the difficult environment that we face today? Revaluations are designed to be tax-neutral, but our experience of the Government's implementing a rating revaluation in Wales was that it was not tax-neutral. I therefore stand by the reasons why we would oppose such a flawed revaluation.

Mr. Denham: Will the hon. Lady give way?

Mrs. Spelman: No, I have replied to the Secretary of State's intervention.

By retrospectively charging five years of backdated business rates for struggling port businesses, Ministers are jeopardising firms, jobs, livelihoods and the very viability of many coastal towns. Labour Members will know that to be true if they have port businesses in their area. It is a disgrace. Ministers should stop squabbling among themselves about who is to blame for the mess, and get back to the drawing board and start again. A Conservative Government will call for an immediate halt to the process and consult industry about what steps can be taken to address the matter.

I have to say that taxing jobs and businesses so that they are unable to compete is a very odd way of trying to stimulate economic growth, but is that not the logical consequence of a Government who have long favoured taxing enterprise rather than tackling waste? In few cases has the tax grab been felt more painfully than with the council tax. It was telling that the first announcement on Budget day was yet another increase in council tax, taking the average band D property up to just short of £1,500 a year.

Let us be clear about the background to the latest rise in council tax. When Labour came to power, it inherited a local tax system that worked. As the then Department of the Environment, Transport and the Regions put it in 1998,

"it is working well, has been widely accepted and is generally well understood."

At that time, people paid £751 a year on a band D home. Now they are paying more than twice that, and it is one of the most unpopular taxes they have to pay. Since 1997 council tax has doubled, while front-line services such as bin collections have halved. Does it not stand to reason that people are furious about the extent to which Ministers have abused the council tax? All the eye-catching announcements in Whitehall have too often left council tax payers to foot the bill, one of the most recent and notorious examples being the unfunded and ostensibly uncosted personal care policy announced by the Prime Minister. It is small wonder that this year's council tax increase went down so badly, although someone living in Scotland will benefit from yet another council tax freeze. That will mean that the average bill for a band D property in Scotland is nearly £300 less than for a similar property in England. I do not have a problem with Scotland having a council tax freeze, but

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what confounds me and people up and down the country is why Labour Ministers will not let people in England have the same deal.

We have pledged to provide funding so that people in England can have the same council tax freeze as people in Scotland, yet time and time again the Government rule that out. Why? The reason is set out clearly on page 193 of the Red Book. Council tax receipts are forecast to rise by £1 billion this year. That is an additional £1 billion being taken out of the pockets of hard-working families and poured into the gaping black hole of the Government's finances.

What is even more frightening is that the £1 billion figure is just the tip of the iceberg. We know, Ministers know, and most importantly the public know, that Ministers are preparing for an intrusive council tax revaluation and rebanding exercise, which will punish people for making improvements to their homes or just enjoying a room with a view. It has already happened in Wales, where four times as many homes moved up a band as moved down one. Now, thanks to parliamentary answers that prove the point I am making, we know that the same is planned for England unless we have a change of Government. I say that with certainty as we have made clear our pledge to scrap the revaluation. The combination of our council tax freeze and aborting the revaluation could save up to £500 a year in tax on a typical family home.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): I was looking forward to a zero council tax increase in Harrogate this year from the Conservative council. In fact, the increase came out above the national average. Can the hon. Lady explain to me and the rest of the House how she will pay for a zero increase in council tax across the country? I am really quite intrigued about the figures behind that.

Mrs. Spelman: As stated very clearly in our localism green paper, one of our three policy green papers, which I invite the hon. Gentleman to read so that he fully understands the matter, the council tax freeze is an important pledge that we have made. If a local authority pegs its council tax increase to 2.5 per cent. in the financial years April 2011 to April 2012, and April 2012 to April 2013, council grant will be increased from the centre by 2.5 per cent. so that the local authority can bring the council tax increase to zero. That is a fully funded policy.

Mr. Willis: Where will the money come from?

Mrs. Spelman: The hon. Gentleman obviously did not follow the significant exchanges in January, when the Government got egg all over their face for accusing the Conservatives of not being able to fund that pledge. We will fund the policy by cutting Government administration, including, but not solely, Government advertising and consultants. In January, the Treasury sheepishly admitted that its initial costings did not properly take into account the saving to the public purse from lower council tax benefit payment. As the Institute for Fiscal Studies pointed out, the attack on the Conservatives was spurious.

Mr. Denham *rose—*

Mrs. Spelman: I will not give way; I want to make some progress.

Let us consider stamp duty. Two and a half years ago, we set out a policy to remove the obligation to pay stamp duty from nine out of 10 first-time buyers by raising the threshold to £250,000. Yet in last week's Budget, a pale imitation of our policy was announced: it is limited to only two years. We can debate the merits of its being temporary, but how telling that the sister policy used to fund it—an increase in stamp duty at the upper end—is permanent. Once it is laid bare, the Budget gives struggling first-time buyers a guaranteed tax rise in two years, and some home owners, particularly those in London, will suffer an immediate, painful and permanent tax increase.

The continuing increases in stamp duty as a result of fiscal drag overlay the increases on page 71 of the Red Book. Combined, the policies mean that the tax burden on home owners grows heavier every day. Is that the way to stimulate growth in our economy? Is a punitive fiscal regime, which serves uncontrolled public spending, really the way to get our economy moving? Our sharp decline in the global league of competitiveness suggests not. The monolithic, state-heavy approach is denying us the dynamism and flexibility we need to compete with other economies. It is holding our country back—some parts even more than others as the gap between south and north has widened. That has happened despite £17 billion being spent on regional development agencies.

That prompts the question whether RDAs, as currently constituted, are the best, most effective and most efficient way of supporting local economies. Could we do better? We can and we must. We therefore believe that RDAs should be replaced with local enterprise partnerships through a series of important changes. Local enterprise partnerships will focus exclusively on delivering business growth and job creation. They will be accountable and take the form of genuine partnerships between local businesses, large and small, and local councils.

Let us consider the geography of local enterprise partnerships. In many parts of the country, the geography of regions is arbitrary and makes no economic sense. We need a more grown-up, flexible approach so that local economic partnerships reflect natural economic boundaries and shared interests.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): What evidence has the hon. Lady got that local business wants those changes rather than the stability of a successful recipe, which has saved, for example, 2,000 jobs at Princess Yachts in my constituency?

Mrs. Spelman: I have got evidence by asking the business community, of course. The hon. Lady comes from the south-west. If she turns around and speaks to the hon. Member for Stroud (Mr. Drew), I think she will find he would be prepared to point out that Gloucester is nearer the Scottish border than it is to Penzance, and the scale of the south-west region is almost unmanageable. Indeed, it might interest the hon. Lady to know that when I went on a fact-finding mission to the north-east, where, I have always been led to believe, there is the strongest appetite for a regional development agency, I discovered a distinct difference of view in the business

community. People in Newcastle are quite fond of their RDA, because it is located in Newcastle, but the business communities in Sunderland and the Tees valley were quick to tell me that they do not see much activity to help them.

Geography is important, and I reiterate that economic partnerships that reflect natural economic boundaries and shared interests will serve the community best. Those changes would offer an exciting opportunity to improve how we develop local growth. We have an opportunity to sharpen the tools at our disposal by giving the best support through focused, efficient and accountable enterprise partnerships. We do not have those at the moment; instead, we have a compromise, whereby RDAs are unwieldy, overburdened and unaccountable. The Government's last-gasp affection for them owes more to political scaremongering than to any desire to find the best way to support local economies. That is the old-fashioned politics of division, and it is holding us back.

We need the economies in different parts of the country to be performing at the very top of their game. If our country is to stand any chance of catching up with our competitors, we need the engine of our national economy firing on all cylinders, and at the moment it is misfiring. Parts of the country are falling well short of their potential, and we should face up to that fact. We are seeing the impact of that on growth and aspiration.

Under this Government, 26,000 fewer new homes a year have been built than under the previous Conservative Government; home ownership is at its lowest for 20 years; the number of first-time buyers is at its lowest since records began; and the rate of new housing—both social and private—is at its lowest since world war two. That is a symptom of our planning system being broken. The system lacks democratic accountability and environmental sustainability, and it is holding back growth and fostering political alienation. Members on both sides of the House will know that from their postbags. We believe that we can do better by reforming the planning system so that it is more accountable and efficient, and far more capable of delivering the new homes that our country so desperately needs.

Dr. Starkey: I am having some difficulty in following the logic of the hon. Lady's argument. Does she accept that although house building has fallen in the recession, if it were not for Government funding there would be no investment in housing at all? That is not related in the slightest to the planning system, which has not altered as we have gone into recession. Does she accept that during that period, house building has decreased because private finance has withdrawn?

Mrs. Spelman: The hon. Lady fails to understand that I was talking about the entire 13-year period that her party has been in power. Even before the recession and the credit crunch, the rate of house building was below what it was when the Conservatives were last in Government, and the rate of social house building was half what it was during the last 13 years of the Conservative Administration. This might be unpalatable, but for the hon. Lady's greater benefit I hope she will allow me to reiterate that peacetime house building is at its lowest since 1924; that there are now 26,000 fewer new homes a year than under the Conservatives, taken as an average over the time that Labour has been in office; that home ownership is at its lowest for 20 years; and that we have the lowest number of first-time buyers since 1970. There may be a variety of reasons for those things, but I suspect that they are not entirely unconnected to the fact that we have had nine different Housing Ministers in the time that her party has overseen house building in our nation.

The Conservatives believe that we can do better. To begin with, we will get rid of the arbitrary and meaningless targets that are conceived in Whitehall and forced on local communities. That top-down, one-size-fits-all approach has toxified the planning system, which has become a war zone in which communities are pitched against regional quangos, often resulting in deadlock. It has led to the green belt being torn up and urban green spaces, such as back gardens, being replaced with blocks of flats that are well beyond the pockets of the people on the housing list who so desperately need the housing.

The number-chasing culture has failed to deliver the kind of affordable homes that young families desperately need. Instead, it has yielded a glut of unsold city-centre luxury apartments and tightly packed units of accommodation that lack the car parking and outside space needed for a young family. That is why the time has come for power to be returned to local people, with the help of those they elect, so that they can define the scale, location and type of new development. It is about drawing people into the decision-making process and giving them a proper platform to be heard. That has to be a more effective way of getting the right kind of homes built in the right places, but we need to give people a stake in local growth. Too often communities feel all the pain, but none of the gain to be had from growth.

We want to change that by matching the council tax raised on new homes for six years—and recognising how we need to increase social housing, we will match it to the tune of 125 per cent. for affordable housing.

Mr. Betts: Is there a fallback position for the hon. Lady's new policy on house building and planning? What happens if these incentives do not work and not enough houses are built to meet housing need? Would a Conservative Government retain any powers to ensure a certain number were built, whatever the results of local referendums in areas throughout the country?

Mrs. Spelman: I know that the hon. Gentleman is interested in local government, housing and planning, and I commend to him our recently published green paper on planning as it makes it clear that in the absence of a local plan, there will be a presumption in favour of sustainable development. I am confident that that will have the effect of getting the homes built that are so desperately needed. These substantial financial incentives, combined with national affordable housing programme grants to help to subsidise construction, and the introduction of local housing trusts, will deliver substantial amounts of affordable housing.

The objective of reforming the planning system has to be to make it fairer, faster and more efficient. That is as important for infrastructure as for any other form of development. The current Infrastructure Planning Commission does not meet those criteria, which is why we will improve the system by turning the IPC into a

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specialised infrastructure unit within the Planning Inspectorate. That will deliver real political accountability and ensure a smooth, efficient transition for infrastructure projects already in train. Without those changes, vital decisions that we need to enhance our country's infrastructure risk being bogged down in legal challenges—from judicial review in the High Court to the European Court of Justice.

We also propose national policy statements—debated here—which will speed up the planning system, while reducing the scope for legal challenges. These statements will avoid planning inquiries getting bogged down on issues of policy, and focus on specific planning considerations such as scale and location. For projects with national significance, crossing many local authorities, such as High Speed 2, we would use hybrid Bills in Parliament.

These reforms are vital to driving forward the pace of growth and infrastructure throughout our country. They will speed up the planning process to avoid planning inquiries taking years, and ensure that there are proper democratic checks and balances. The changes that we are proposing are the changes that will get our economy moving again. They are the changes that will kick start growth and development. They are the changes our country needs, and the sooner the country has the opportunity to vote for that change, the sooner we can get Britain working again.

5.14 pm

Mr. Jeremy Browne (Taunton) (LD): I am grateful for the opportunity to make my final speech as a Member of Parliament before the general election. I wish to concentrate on three dominant themes of the Budget statement. The first is the recession, its consequences and how we can best ensure the recovery. The second is the massive budget deficit that we have as a nation and how we can try to get to grips with it. The third is what the Budget and the political debate say about what sort of society we wish to create. A Budget is not just a bloodless exercise in accountancy; it is also about creating the type of structures and the type of society that we think will make Britain a better place.

I should like to address those three points in turn, but before I do so—if you will momentarily indulge me, Madam Deputy Speaker—I want to talk about the one issue in the Budget that has been raised by far more of my constituents than all the rest put together. That issue is the highly invidious extra taxation on cider, which many of my constituents regard as little more than a tax on being a Somerset person. I know that the fashionable metropolitan elite who rise so effortlessly through the ranks of the Labour and Conservative parties do not regard this as a particularly serious issue. I readily concede that, contrary to the stereotype, there are some people employed in Somerset who do not work in the cider industry. Nevertheless, that extra tax is a serious matter for my constituents for two reasons.

First, there is an economic case for the people who work in the industry. For instance, there is a small, family-run company in my constituency called Sheppy's Cider, run by David and Louisa Sheppy, which employs about 10 people. It is part of the local economy, and we would not wish to see those jobs or that enterprise put at risk. However, there is also a symbolic importance, which is perhaps equivalent to the importance that people from Scotland attach to whisky or that people from Ireland attach to Guinness. Cider is an emblematic drink that signifies Somerset and other parts of the west country throughout the world. For that reason, a number of people are upset by what the Government announced in the Budget, and we urge the Government to reconsider.

Mr. Greg Hands (Hammersmith and Fulham) (Con): We certainly agree with the hon. Gentleman's sentiments on cider, but unfortunately for him last year the Liberal Democrats proposed a tax freeze on spirits, but not on cider. He also said that fewer of his constituents were drinking cider these days than they used to.

Mr. Browne: Well, because—*[Interruption.]* It is not a U-turn at all: one cannot infer from my views on spirits that I have opposite views on cider. I have just made it clear that I regard cider as an important industry not just in the west country, but it has a particular strength in the west country—and that it is an important part of the heritage of many parts of western England. Considering that the amount of money that will be raised by the Government's tax measure is so minute compared with the scale of our budget deficit, and given that the hurt and offence that it has caused is so disproportionately large, the Government would be well advised to reconsider.

Let me turn to the three main themes that I wish to address. I start with the recession, which ought to be—and is—of concern to us all, although I sometimes think that people in this House, and perhaps the wider public, underestimate the scale of the recession that we have just gone through. Last year—2009—was the worst peacetime year for the British economy in terms of growth since 1921. Our economy shrank by almost 5 per cent. last year, and, as part of the international downturn, this country has been in a truly precarious position. I invite the House to think of our economy as a sickly and frail patient lying in the operating theatre in a hospital. In those circumstances, my party and I believe that the Government were right to try to administer all the different treatments at their disposal to ensure that the patient survived the severe shock to its system that it had suffered.

The Government tried quantitative easing as part of their contribution. They also tried, and continue to try, extremely low interest rates—only 0.5 per cent., and they have been at that level for a sustained period. We have also had a devaluation of the pound. Far less emphasis has been given to the relative value of the pound compared with other major currencies than would have been given a generation ago, but there has been a severe devaluation of our currency. We have also had, in different forms, the fiscal stimulus, and we have debated in this House whether that stimulus has had as much of the desired impact as we would like. Nevertheless, it has contributed to trying to keep the ailing patient in some form of health. We are still in an extremely precarious position, however, and we should not assume that that we are safely out of the woods just because the economy grew by an anaemic, minute amount in the last quarter of last year. We cannot turn the life support machine off until we are absolutely certain that the patient is alive, and at the moment, we do not have that certainty.

I hope, and believe, that the economy will not dip back into recession later this year, but that remains a possibility. The growth figures in the Budget—even the ones that were revised down—are still optimistic, according to many assessments. We should therefore not assume that we are out of the woods. This is a challenge for the Conservatives, because the timing of deficit reduction is of paramount importance, and there are risks attached to cutting too soon, as well as to cutting too late.

Mr. John Maples (Stratford-on-Avon) (Con): That would normally be the case in a recession if we were talking about the cyclical part of the deficit, but what we have here is a structural deficit of 9 per cent. last year and 8 per cent. next year, if the figures are right. How long does the hon. Gentleman think we should take to eliminate that?

Mr. Browne: The hon. Gentleman is making an interesting point, and I want to engage him directly on it. The deficit is always rolled into the £167 billion figure, but it has two component parts, and different economists take different views on the size of those parts. However, there is a deficit, and the country will have to get to grips with it, either by raising taxes or by cutting expenditure. My party has a preference for cutting expenditure, but there will have to be a mix of the two. The Government have announced large numbers of tax rises, although they are being much less specific about the reductions in expenditure until after the election. They are being more explicit about the tax rises.

The other component of the deficit will, we hope, be dealt with by the economy returning to healthy growth and burning off the deficit in that way. That is why, when I caution the Conservatives, I am not just saying that there is a risk of going back into recession in relation to employment or to business failures, although those factors are obviously important. Healthy economic growth will also be crucial in making the numbers add up in our deficit reduction programme. We could have a debate about how we should best stimulate that growth, but I do not propose to go a long way down that avenue this afternoon.

We need to ensure, however, that there remains demand in the system. So far as I can see, the Conservatives seemed to acknowledge that need this morning. We can achieve demand by spending public money, or by allowing private individuals to spend more of their money by cutting their taxes, which appears to be the Conservative shadow Chancellor's policy. There would be a risk to the recovery itself, however, if we were to try to cut the deficit quickly by taking money out of the economy, whether from the public or the private sphere.

The second subject that I want to talk about is the deficit. This country is still borrowing an additional £450 million every single day, and our budget deficit this year remains at more than 12 per cent. of gross domestic product. According to the ready reckoner, any country with a deficit of more than 10 per cent. of GDP in any financial year is in serious trouble. Well, this country has gone way beyond that point for two financial years, and our deficit this year is comparable to that of Greece, whose problems have been well documented. It would of course be fair and accurate to point out that Greece's cumulative debt is roughly double ours, which is why we have not yet had the degree of difficulty that it has experienced. Nevertheless, our borrowing this year as a percentage of GDP is comparable to the worst cases elsewhere in Europe. We are going to have to deal with that, and that is a truth that all the parties will need to explain to the electorate. To varying degrees, I would say that none has done so sufficiently yet.

The Government have gone into great detail in the Budget about tax rises. They are talking about roughly a third of the deficit being dealt with through tax rises, and two thirds being dealt with through expenditure cuts. Where they are very specific in terms of tax rises, however, they are very vague in terms of reductions in expenditure. That probably suits the Government as we approach the election in trying to create the right dividing lines, as they would see it, between them and the Conservatives on tax, while ignoring what they see as potentially disadvantageous dividing lines between them and the Conservatives and other Opposition parties on public expenditure reductions.

Mr. Stewart Jackson (Peterborough) (Con): Does the hon. Gentleman regret—and will he apologise for—his party's wholehearted support for a single European currency, given that if we were in the single currency, we would simply not have the flexibility in fiscal and monetary policy that we now have to deal with these issues, including the deficit?

Mr. Browne: I had thought that the Conservative party was supposed to have stopped banging on about Europe. I do not remember having mentioned the single European currency in my speech. My view is that it is would not be right for Britain to join it now, but I would not rule it out as an article of blind faith for all time. It is not inconceivable, in my view, that there could be a time in the future when joining might be more advisable, but that point has not yet been reached.

I was talking about the deficit, about what reductions in public expenditure would be necessary and about the Government's vagueness on that subject. It was somewhat depressing to hear the hon. Member for Meriden (Mrs. Spelman) a few moments ago. When she was asked to identify how a particular policy initiative would be paid for, she dipped yet again into this pot marked "administrative waste" and said that there was so much money available in it that it could fund unlimited goodies. I remember being present at Treasury debates a couple of years ago, when all that administration was carried out in much the same way as it is now, where I was told by the Conservative shadow Chancellor and other Conservative Members that the Conservative party would match Labour's spending commitments in every single Department. If the party was going to match all those departmental commitments when all that money was being wasted, why did they not raise concerns at that point about the need to reprioritise that money? I am sceptical of the ability of administrative trimming to pay for the largesse that the Labour and Conservative parties claim it will pay for.

I readily acknowledge that there is a way to go, that my party has not spelled out every detail and that we need further policy development, but the reason why respected commentators readily acknowledge that the Liberal Democrats have gone further in this regard than both of the old parties is that we have been more

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specific and more detailed about the type of cuts in public spending that we think are necessary. So, for example, people who receive tax credits when they have salaries that would be the envy of most households will see a reduction in those credits.

For another example, we have talked about child trust funds. Just over a year ago, I remember participating in a Statutory Instrument Committee on which I was the only person willing to say that child trust funds are not affordable in the current circumstances. Both the Labour and Conservative parties supported them at that time, even though we were already living in a different budgetary context from when the policy was first introduced. We have also talked about longer-term projects such as ID cards and aspects of our defence procurement. We have gone through such strategies in much more detail than the other parties, but this is a process that all political parties will have to face sooner rather than later. There is a conspiracy of silence before the general election, and I believe that people deserve better than that in a democracy.

That brings me to the final feature of my speech. A Budget this close to a general election will, of course, inevitably be a political as well as an economic exercise. We are looking as politicians—and, I suppose, the wider public, insofar as they are following these matters in detail—at what the Budget says about the values and policy priorities of the Government of the day and those of the Opposition parties that aspire to replace that Government. When I looked at the Budget in that regard, I found it wanting.

I give some credit, however, insofar as there was something that came at least some way towards representing a vision on environmental-led growth, green jobs, environmental investment and so forth—areas that my party has been keen to bring to the fore. As I say, there were some elements of that in the Budget speech. However, two other features of my party's policy platform to which I had hoped the Government would give more prominence were conspicuous by their absence. The first is a vision of a fairer, more equitable society in which, in particular, people on low incomes are more self-reliant, have more of their own money to spend and can forge their own way in the world with greater freedom and independence. That vision of taxation has been a central feature of our policy platform, in the form of our proposal to raise the starting point for income tax to £10,000 a year.

What surprised me more, coming from a Labour Government, was the lack of a vision of how we could do more to increase social mobility, so that people could prosper and succeed in the world without the welfare or well-being of their parents being necessarily an accurate guide to their prospects. My party has given the greatest policy priority to the so-called pupil premium, which represents a direct attempt to target more money on improving the life opportunities of people who start at a relative disadvantage. I do not claim that Labour has done nothing in that regard; many Labour politicians—indeed, politicians in all parties—take the agenda seriously. Nevertheless, I think that it could and should have been a bigger and more explicit feature of the Budget.

Laura Moffatt (Crawley) (Lab): Will the hon. Gentleman tell me how he thinks his party's policy of abolishing child trust funds will help to increase mobility for young people and families?

Mr. Browne: I can. All the research—I hesitated before I used that word, because it sounds as though I am contracting out my views to "experts"—all my instincts and everything that I and others have read suggest that children who start at a relative disadvantage in terms of parental income or exposure to knowledge and learning at a young age need assistance when they are three, four, five and six years old. Giving them a pot of money when they are 18 years old gives them an amount to spend, but it does not fundamentally address their relative disadvantages in terms of lifetime opportunities. If that money is to be spent, it would be better spent on targeting children from poorer and more disadvantaged backgrounds more precisely and at an earlier stage in their lives.

Let me make a final observation about the bigger picture and the vision as a whole. When I mentioned, in passing, the two old parties, I heard some noises off scoffing at that description. However, I detect a sense in the country that if people keep voting for the same two tired old parties, they cannot expect anything other than the same two tired sets of policy proposals. There is a mood for change in the country. Back in the 1950s, 98 per cent. of the people who voted in a general election voted for either the Labour party or the Conservative party. We had a very tribal society, in which people knew what side they were on and voted accordingly. At the last general election, for the first time since the second world war, the proportion of votes for the two old parties fell below 70 per cent., to 68 per cent. We live in a more fluid, more mobile, freer society nowadays.

A group of Conservatives to whom I was talking recently told me, "When it comes to this Budget, we must make certain that we win the election by persuading people that the problems are the responsibility of Gordon Brown." I said, "I think you are right: I think many people readily accept that the Prime Minister bears a large share of the blame for Britain's economic woes." However, I went on to ask "Why do you assume that people who identify the Prime Minister as being culpable should regard the Conservative party as being part of the solution?"

In order to be successful, someone who runs an Indian restaurant has to do more than just persuade people that they do not like Chinese food, because there are more choices out there than ever before. That is why it was so extraordinary that the shadow Business Secretary observed that he would prefer the current Prime Minister to stay in office at the head of a majority Labour Government than the Conservatives to be the largest party in a balanced Parliament. That was an extraordinary statement for a Conservative Front Bencher to make, and, although the shadow Business Secretary has become a national treasure in many ways, it shows how out of step he is with the mood of the time, because the old type of politics, under which Labour and Conservatives swapped between themselves, is no longer a reliable guide to the future. To say that we know what will happen if neither of the two old parties can convince the people that they deserve to govern alone because we

saw what happened in 1974 is just like saying we know what is going to happen in 2046. We have no idea what will happen 36 years from now.

This is the last Budget of an old era, because we will now increasingly find that we need a form of politics that addresses a wider range of public concerns than the current political parties can articulate.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): I am listening carefully to the hon. Gentleman's speech. Will he confirm that Scotland currently provides a great example of the new politics, in that the Scottish National party has formed a successful minority Government there? He might also like to dwell on the fact that in Scotland support for the Liberal Democrats has almost halved since 2005.

Mr. Browne: I have always thought it an act of supreme charity by the Liberal Democrats that the electoral system in Scotland means that the Conservative party was saved from absolute extinction there. That just goes to show that we are motivated by a benevolent desire to look after ailing parties, not just by self-interest.

The Budget symbolises the old politics, as does the debate between the two Front-Bench teams. In the coming election and the decades ahead we will find a new and more diverse type of politics that will both give people a greater range of opportunities and reflect the more varied and freer society we live in today.

Several hon. Members *rose*—

Madam Deputy Speaker (Sylvia Heal): Order. I remind Members that Mr. Speaker has imposed a 12-minute limit on Back-Bench contributions.

5.37 pm

Mr. Richard Caborn (Sheffield, Central) (Lab): In common, I think, with several other Members who will contribute today, this will possibly be my last speech in the House, after 27 years of representing Sheffield, Central, and after five years before that as a Member of the European Parliament. I was first elected to public office, as an MEP, in 1979, having left school at 15 years of age to start my engineering apprenticeship at the company that is now Forgemasters—a great company that has recently been in the news, and to which I shall return a little later.

I warmly welcome the Budget, like many of us who have been championing manufacture and wealth creation for many years. We see it as a Budget that recognises the need for the economy to be rebalanced, with a greater proportion of wealth creation being achieved through manufacturing. Its measures will help us to continue to take the country along that rebalancing journey.

The Budget's £2.5 billion one-off growth package is very important, particularly for areas such as Sheffield. There will be investment in the creative industries, digital communications, the medipark and the Advanced Manufacturing Park. That is a reflection of recent policy, particularly the new industrial strategy introduced by the Secretary of State for Business, Innovation and Skills when he returned from Europe—I think his experiences as a European Commissioner must have had an effect.

I want to remind the House, however, that Sheffield has been modernising and repositioning its economy for more than a decade. We have been modernising to meet the challenges of the globalised world of the 21st century, with our two outstanding universities, a very strong further education college, industrial and commercial sectors that want to work in partnership, and the support of Yorkshire Forward, our regional development agency. We have developed, through those very strong partnerships, centres of excellence such as the medipark, the cultural industries, digital Sheffield and our advanced manufacturing park. The Budget will strengthen all four of those major activities, and those areas will be major centres of employment and wealth creation in the future.

Let us consider just one of those, the advanced manufacturing park, which is closely linked to the university of Sheffield under the leadership of Professor Keith Ridgway. The project was set up 10 years ago to address the productivity and the competitiveness of our aerospace industry, which is a sector that has an order book of more than £40 billion and that employs well over 100,000 people, many of whom are employed in the skills sector. The park has grown to be one of the most respected advanced manufacturing parks in the world.

The recent investment by Rolls-Royce and the Government in a nuclear manufacturing park, which is to be located alongside the aerospace facilities, will enable the techniques and innovation that have been developed over the years in the aerospace industry to be transferred to the nuclear sector, thus enabling that development to be a smart partner for the nuclear build programme. This is an area of great potential for British manufacturing and technology, addressing the green agenda not just here, but internationally. Twelve nuclear power stations could be built in the UK at the cost of about £60 billion. That is estimated to be about 4 per cent. of the world's order book. Again, that development is encouraged by the announcement in the Budget.

I said that we had been working on this project for more than a decade. In fact, it was 10 years ago that I had dinner in the House—in the Churchill Room—with Phil Condit, then chief executive of Boeing, and Professor Keith Ridgway. From that dinner came the start of a £6 million investment to be made in the intellectual property of the university of Sheffield and the vision of Keith Ridgway. I facilitated that dinner and I am proud to have been involved in that project ever since.

Today, BAE Systems, Rolls-Royce and many other companies involved in the supply chain are involved in the park, with some of the work being done on blue skies technology and research and development. As I said, the nuclear new build programme and developments in the industry have attracted a good partnership between the Government and Rolls-Royce, which has resulted in a £35 million investment in that nuclear development.

In 2008, I organised another dinner in the House, which was similar to the one that took place in the Churchill Room 10 years ago. It enabled representatives of five universities, five captains of industry—Graham Honeyman, chief executive of Forgemasters, was there—and two Secretaries of State to discuss how universities, Government and industry could work together to exploit the nuclear renaissance for the UK for many years to come.

On Sunday, *The Sunday Times* accused me of acting improperly in organising that dinner—the dinner that brought together universities, Government and industry to discuss how we could act collectively in the best

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interests of UK plc. Throughout my 27 years in the House, I have been doing just that—acting in the best interests of the UK, be it through my post as Chair of the Trade and Industry Committee, in my role for the past 14 years as trustee of the Industry and Parliament Trust or through my contacts with the trade unions, employers' organisations and industrial groups. Those are all people who want British industry to grow and prosper. That is my record and I am proud of it. If it is wrong in the eyes of *The Sunday Times*, I plead guilty.

A few years ago, the House passed the Freedom of Information Act. The press were rightly at the forefront of the demand for it, but now, when the press use misleading evidence obtained through sting operations—this is evidence that could not be used in court—they believe that it is their right to keep it from those whom they accuse. My lawyers twice requested the information that appeared in *The Sunday Times*, but they did not receive any response. What people read in *The Sunday Times* was a deliberate fabrication, which was designed to mislead. I do not believe that we have a level playing field, and when the House returns it ought seriously to consider the balance between freedom of information and what the press are doing through their sting operations and not allowing those whom they accuse in the newspapers, and the nation, to challenge information that cannot even be used in the courts of this land.

Returning to the Budget, as I said, I started at Forgemasters as an engineer apprentice at the age of 15. Last week, on Friday, the MPs in Sheffield, the two vice-chancellors, the further education colleges and Yorkshire Forward met to discuss the skills agenda of the future, from our skill shortages, which could be an impediment to growth, to the quality of training needed to ensure that the aerospace and nuclear supply chains are up to scratch. We have concerns, although we warmly welcome the announcement of the promise on the skills agenda. The budget for this area should be increased, and we believe we need a clear focus on delivery. That is something we are working on as a result of that meeting, and we hope to produce some ideas about delivery, which we think is very important, and to remove some of the confusion around it. For the record, I shall continue to be involved in that when I have left Parliament.

Finally, I want to conclude on the subject of a significant investment in Sheffield Forgemasters—a 16,000 tonne forging press, which will be one of the largest forging presses, if not the largest, in the world. It has taken nearly three years to develop that plan and bring it to fruition, and I want to put on record my thanks to the Secretary of State for Business, Innovation and Skills, his Ministers and special advisers, along with Tim Stone from PricewaterhouseCoopers. They have worked very effectively to make this happen. As for Sheffield Forgemasters, it has been said that this would not have happened had it not been for the vision of people such as Graham Honeyman, Tony Pedder and Peter Birtles, but there was also strong support from the work force. Half the company is now owned by the work force and the pride in those young people, particularly the 70 apprentices who work there, has to be seen to be believed. That has put us in a unique position at the beginning of the supply chain worldwide and for the nuclear new build. That, I believe, is very important if we are to capitalise and see an industrial renaissance coming out of that nuclear renaissance, particularly in engineering and manufacturing.

That was a great day, and it was great to be involved when that £160 million investment was announced by the Secretary of State a couple of weeks ago. The very first job that I completed while serving my time as an apprentice and coming out of that was the building of a 4,000-tonne forging press, so, having represented Sheffield, Central and Forgemasters for 27 years, it will be very pleasing to see a forging press four times greater than that and the investment that is being made.

This is probably my last speech to the House, and I say with honesty that in my 31 years as an elected representative, I have never taken a single penny outside the salary that I have earned and been paid. It was only when I decided a couple of years ago to stand down and announced my retirement that a number of companies came to me and asked whether I would be a consultant and help them, probably as a non-executive director—never as a lobbyist. I was approached as someone who has been in the national institutions and who has also been an engineer. I am proud to have done that and I will continue to work for the betterment of British manufacturing, and particularly engineering, in which I believe very strongly, having had a father and a grandfather who were in the engineering industry—indeed, it runs through our DNA. It would be good to see the press talking this side of British industry up rather than talking it down.

5.48 pm

Mr. Michael Ancram (Devizes) (Con): I, too, rise to speak in the House for the last time, after 36 years. I have to admit that this is not the first time that I have left the House, but it is the first time that I will do so voluntarily.

It has been an enormous privilege to be a Member of the House. I have represented three wonderful constituencies—two in Scotland and one in England, latterly the Devizes constituency—and I am grateful to all those who elected me and who have given me the chance to serve them in the House. I have been fortunate in the various roles that I have had here, which have been challenging and enjoyable. The most rewarding has been the ability to represent the myriad interests and concerns of one's constituents. Despite all the recent criticisms, I believe that the House is still one of the greatest democratic institutions in the world. I am proud to have been, for a time, part of it, and I will miss it.

I am grateful for the chance to participate briefly in the debate on the Budget statement. Over the past few days, I have heard the detailed arguments for and against the Budget, but as this is my last speech to the House, I hope that I may be allowed to approach it more broadly. I believe that Governments have two inalienable responsibilities: first, the defence of the realm and its citizens, and, secondly, stewardship. I want to talk about the second for a few moments.

Stewardship is a word that is used frequently, as it has been in this debate, to mean good and responsible management, but I believe that, in the context of the Budget, it should mean much more. To me, stewardship means handing over to the next generation what we in our time received from our predecessors in at least as

good, if not better, condition than we received it. I want to deal with two aspects of that, the first of which is the economy.

I do not think that anyone in the House could claim that the economy is in a better state than it was at the beginning of the Parliament. We are facing almost unimaginable debt and it is still growing. Stewardship requires urgent action, of which I see little sign in the Budget. That is not a political or economic question; it is a moral imperative. Our generation—this Parliament and this Government—created the mess we are in, and our generation has the responsibility to clear it up. It is quite simply obscene to hand over to the next generation the cost of this generation's mismanagement. We have no right to lumber them with our debts or to expect them to pay for our profligacy.

We must rectify the situation not by fudging or finessing. This is a matter not for spin doctors or opinion polls, but for cold reality and stark truth, and the truth is that that will be painful. However, we must not shirk that pain. We must start immediately by cutting out inefficiency and waste not by tinkering with it, but by tackling it root and branch. It is not enough, year after year, to come and talk about inefficiency: if it is there, it must be got rid of. We must cut out the bloated bureaucracy that we have built in this country—the over-regulation that costs so many of our companies so much. If services have to be cut as well, we must, in the end, face up to that, because services can be rebuilt, and the resolution of problems can help to do that.

If we, as stewards, need to protect anything for the next generation, it must be those things that will never come again if undermined or destroyed. I want to touch briefly on this second aspect—the environment in which we live—which has been touched on tangentially in the Budget, but which is not central enough. There is a native American saying, "We do not inherit the earth from our ancestors; we borrow it from our children." To my mind, it is not enough to tip our cap towards wind power or green banking, as the Budget has done. We have to address the fundamentals. Both the natural and built environments in this country are under threat. If, as I fear, we begin to reduce the support for those areas to avoid pain in the here and now, we will be in danger of damaging permanently the world that we shall leave to our children.

We need to take positive action now to preserve and conserve the environment and, where we can, to improve it. We need to recognise the coming challenges from over-consumption—the growing demands for energy, water and food—and the lasting damage that they, too, could do to the environment we shall leave to our children. I see little recognition of that in the Budget. To me, stewardship needs a courage and a foresight that the Budget sadly lacks.

I conclude my career in the House by having to say that I regret the failure of stewardship in this Parliament; we have to look to a new Parliament and a fresh Government to provide it. I hope that they will see their responsibilities more clearly than this Parliament and this Government have seen theirs in these last years. I end by wishing the next Parliament well.

5.54 pm

Mr. John Hutton (Barrow and Furness) (Lab): It is a great pleasure to follow the right hon. and learned Member for Devizes (Mr. Ancram) and, indeed, my right hon. Friend the Member for Sheffield, Central (Mr. Caborn). They are two fine Members of Parliament who have done a great job for their constituents and who command a great deal of respect on both sides of the House. The fact that they will not be here after the election will be a cause of great sadness for many who know those two fine, honourable Members well.

Let me begin my remarks by congratulating my right hon. Friend the Chancellor of the Exchequer not just on the manner in which he delivered the Budget statement, but on its content. He has had to bear a very heavy burden of responsibility in the discharge of his great office of state. He did not have long to think about how to share the proceeds of economic growth. Instead, he had to think very carefully about how our country would emerge in good shape from the deepest, most savage and severe recession of three generations. In trying to set that course, he has earned a lot of respect on both sides of the House. His instincts are sound and his judgments have been right. I think that is what history will say of him.

To borrow the medical metaphor that the hon. Member for Taunton (Mr. Browne) used, the economy is at least now in the recovery position. Bearing in mind the stewardship argument that the right hon. and learned Gentleman has just deployed, it is incumbent on us not to do anything to jeopardise the economic recovery. That is the first and most important fact, principle or statement about the Budget. The flow of economic data is finally looking a bit more cheerful: unemployment is falling, inflation is falling and borrowing is down. Growth has returned to the economy. Those are all positive signs that there is now light at the end of what has been a very dark and long tunnel.

As I have said, our big job is not to jeopardise that recovery. I therefore welcome in particular what my right hon. Friend the Chancellor said in his statement about targeting further and additional help and support at businesses and wealth creators. That is the right thing to do with any discretionary additional spend that we have, because it will be on the decisions that those businesses—mainly small businesses—make in the next few years that prospects for substantial economic growth will depend. I therefore welcome the doubling of the investment allowance and the expansion of the entrepreneurs' relief from capital gains tax. I particularly welcome the extension of the time to pay scheme for business taxes. Many right hon. and hon. Members will know that that scheme has become an important source of credit for many businesses. I understand that it is benefiting nearly 200,000 companies. There is a danger, of which the Treasury and the Revenue will be aware, that the scheme could be abused, and we have to be alert to that danger, but it is a very important new initiative. I also welcome—I am sorry that the hon. Member for Meriden (Mrs. Spelman) did not do the same—the extension of council tax reliefs for small businesses. All those small measures together form a very useful and helpful package.

I particularly welcome the focus that was evident in the Budget statement on the new policy of industrial activism. Many right hon. and hon. Members will probably assume the foetal position when anyone talks about a new industrial strategy, and I understand the nervousness that is felt about that policy, which is redolent of a bygone time when we got basically every judgment wrong and in the process wasted a huge amount of

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scarce public resources. However, I do not detect a likelihood of our repeating those failures; I do not think that will be the case.

When I was Secretary of State for Business, Enterprise and Regulatory Reform, it used to irritate me enormously to hear many commentators opine on the fact that Britain was somehow a post-industrial society. No, we are not. We are the fifth-largest economy in the world and a great trading and commercial power. We should aim to retain that position, but we have no prospect whatever of doing that if we do not, and we are not aware of the need to, support businesses, particularly the small companies that have the potential to be the great employers of the future. That should be our focus. We should keep capital allowances; it is a false economy to play fast and loose with that kind of business support. We should aim to remain a great industrial society. That is what I see in the economy and in my right hon. Friend's statement.

The new finance for growth investment corporation might also prove to be a useful development, and I note that Simon Walker says that it will be good news for British businesses. As many people will know, Simon is chief executive of the British Private Equity and Venture Capital Association.

I have to tell my Front-Bench colleagues in all honesty that it is probably just as well that I will not be here after the next election because I will take some persuading before I lend my support to the notion of the new credit adjudicator. It is hard to imagine how we could create a situation in which the banks are legally forced to lend. I do not understand that, and if we have learned one thing from the recession it is that we should all have a better appreciation of the level of risk, and we should let the banks decide what that is. I do not think that the proposal is a particularly good idea, and I hope that more work will be done on it.

I agreed with the remarks that were made about the need to cut the budget deficit. That is, by some distance, the biggest challenge faced by the House, and the new House of Commons will have the task of beginning to address it. We have started to identify the things that must change, and my right hon. Friend the Secretary of State for Communities and Local Government set out helpful measures that we could implement, such as tackling waste and inefficiency. It is probably common ground that the next comprehensive spending review will be the toughest for a generation; it will certainly need to be.

When the right hon. Member for Witney (Mr. Cameron) said that the biggest challenge facing us in the next Parliament will be reducing the deficit, he was only half right, and the bit that he got wrong is the thing that worries me most. Yes, we must reduce the deficit, but we must do so in a way that does not jeopardise the recovery, compromise the quality of public services or lead to higher unemployment. I am afraid that everything that I have heard from the Conservative party suggests that if he forms a Government, the next House of Commons will make precisely those mistakes.

Obviously, I am the first to say that we must have the right balance between levels of taxation and spending, and given the economic conditions that we have been through, it is hardly surprising that we are not in balance—we are a considerable way away. However, we have been through extraordinary times that have called for vital additional public support for the economy, especially the banking sector. That is why I am worried about the 50 per cent. higher rate of income tax. Labour Members must emphasise that that is a temporary measure, because it is unhelpful and wrong to send people the signal that the state will claw back more than half their earnings. There is an argument that the rate can be justified in the short term, but it cannot be a defensible long-term position. There are no votes in it, and no moral high ground can be occupied by adopting a taxation policy with punitive elements.

When we announced the 1 per cent. increase in national insurance a year or so ago, we rightly emphasised that it would be a temporary measure, and we must get back to that argument. It would be bad to load the increase into the long term. We should not be putting a tax on jobs, and although there is an argument for the approach in the short term, it is not sustainable and we must get beyond it.

When one looks at all the numbers flying around in relation to the Conservative proposals set out today, one detects that there has been a huge dose of double counting. The arithmetic that has been set out to justify the changes does not stack up—it would blow up in our face—and would risk increasing the deficit, not reducing it. The Conservative party has picked up the bad habits that we learned in opposition, as the joy of opposition is being able to spend the same pound several times over. Those in government only get to spend that pound once, and the Conservative numbers do not add up. We can only spend the money once and my right hon. Friend the Chancellor has, essentially, already spent it.

I want to make two points before I shut up for the last time in this place. We have all heard the arguments about efficiencies in public services, and those of us who have held ministerial office have carried out the tough job of trying to extract them from spending Departments that do not like to give up any resource. Getting the savings out is always harder than anticipated. I think that there should be more outsourcing, and there will need to be a much tougher approach on procurement and streamlining back offices. That is common ground between both Front-Bench teams, which is fine, but it will be harder than people think. That is why I conclude that the only way we can be confident that we can reduce the public deficit as quickly as possible without compromising the quality of public services is fundamentally to change the basic delivery model for some of the public services.

For example, the health service consumes more than £120 billion of public resources, but we spend a large dollop of that money completely inefficiently by providing bad pathways of care, especially for people with long-term and chronic diseases. Those people end up being treated inappropriately in the most high-cost settings and they are not provided with especially good care. We must change all that, but it will be difficult and will require strong leadership from politicians. It fills me with regret that Conservative Members will go around the country saying that we cannot change this or that part of the health service, because it has to change if we are to save money without compromising quality and to deliver better outcomes for our constituents.

My final point relates to better regulation, which was not something for which I thought that I would have ministerial responsibility. The subject has disappointed

many Ministers who, like me, have struggled with the brief, such as my right hon. Friend the Minister for Business, Innovation and Skills—a fine Minister who is currently sitting on the Front Bench. We and the previous Government passed legislation in that regard, but better regulation is not about legislation. This place can pass umpteen Bills, but they will not make a ha'p'orth of difference unless the Government change the culture of how they set about imposing new burdens on business. I am a fan of regulatory budgets, and I hope that the next Government—if they are a Labour Government, I hope that my Government will do this—will, for the first time, put a real cap on the additional cost burdens that we ask businesses, and especially small businesses, to accept in our pursuit of public policy goals. There must be a limit, and 19th-century regulatory approaches cannot meet the needs of a modern 21st-century economy, so we need to do more.

This is my last speech in the House of Commons. Many people will say, "Thank God for that." It has been a great honour to serve my constituents and I have had a fantastic time in doing so. Our constituents probably feel disappointed by all of us in this Parliament, so we owe it to them to do a job of work to rebuild their trust. This is a great country and we believe in some great things. I hope that Members of Parliament in the next House of Commons will stand up for those great values that have made Britain such a great country in the world.

6.6 pm

Mr. David Curry (Skipton and Ripon) (Con): Since we are having a succession of valedictories, I shall try not to be sentimental, maudlin or moralistic. We are talking about the Budget, however, so perhaps I may begin by talking about the two great elephants in the room that have not been raised: the great debate about the value of the renminbi that is taking place in the United States and China, and Germany's role in assisting the European economy. Those two things will have more impact on growth in the United Kingdom than anything mentioned in the Budget, and we should occasionally put our decisions in the context of those wider questions.

I want to talk about public services because I note that one of the Government's super-pledges relates to safeguarding public services. My party uses similar terminology, but my problem is that I do not know what that means. What a wonderful word "safeguard" is; it is rather like the word "appropriate" because it can mean anything. At best the word is misleading, and at worst it is probably mendacious, because no public services will be safeguarded in the sense that they will be immune from pressure over the next few years.

The crunch for local government will come not this year but in 2011-12 and 2012-13, because the comprehensive spending review takes care of the present year. However, if there is a cut in grant of something like 5 per cent., which is not an unreasonable assumption, given the pressures that we are under and the fact that local government is not one of the "safeguarded" services, serious decisions will have to be taken and there will be serious consequences. Recession drives up demand. It drives up demand for free school meals. It drives up demand from self-carers who fall back on welfare because they can no longer finance their care, and it drives up the cost of home-school transport. Those are only three areas in which recession inevitably pushes up costs.

We must also consider demographic demand—we do not need to go into the familiar argument of what an ageing population means—and the fact that recession leads to income being constrained from things such as tourism, and car parking and planning charges. Many local authorities depend heavily on those charges to maintain a relatively modest council tax, or at least to mitigate its impact. However, the council tax is not a buoyant tax. We have already heard about house building, and a low level of house building means that there is no buoyancy in the council tax. Local government will therefore face a huge problem, even with the best will in the world.

If one then looks at the longer term, however, and considers the three big factors driving costs, the situation becomes much more difficult. First, there are the consequences of what we might call the baby P issue. Whenever there is one of these ghastly episodes where a child has suffered appalling mistreatment and has died, the impact on the reactions of social services departments is bound to come through, in the sense of them playing safe and not taking risks, and that enhances demand—and rightly so; one understands that. Secondly, there is the demographic time bomb of adult care, plus the special demands of high-dependency cases, which will now impact much more severely. Thirdly, there is the old question of the waste and landfill targets; as they are winched up, the costs for local government get higher and higher.

Those are three huge, emotional, high-volume and high-cost issues. Add that to the recession and we see that local government is facing the perfect storm. We can talk until we are blue in the face about safeguarding public services, but they will not be safeguarded. Nobody can, and nobody will, safeguard them. Some services can be hit harder than others, but even then we have to be careful, because there is no point in saying, "We're going to make a special case of the health service" if the consequence is that social services get particularly badly hit. So many of the outcomes in health depend on effective social services. They have to be treated together. If we dislocate the pair of them, what is gained on the swings will be lost on the roundabout. It is easy enough to talk about co-operation between health and social services; it is easy to talk about primary care trusts and social services working together, and there are some outstandingly good places where that has happened, such as Hertfordshire, but it is much easier to talk about it than to deliver it everywhere.

I was a Local Government Minister, and was regarded as a rather benign and tolerant one, compared with what came after. It is wonderful how, in retrospect, one gains an aura of tolerance. I hope that that continues throughout one's career. As we are in a reflective mood, I should like to make two points about which I feel very strongly indeed. First, we must not let the whole notion of devolution slide under the pressure of the recession and the recovery. The pressure on Government is always to try to keep control—to say that other people cannot be relied on to exercise the same sort of control that the Government can. Given the volume of local government expenditure as a proportion of gross domestic product, it is understandable that that instinct seems to burn deeply in the heart of Government, but there are very good arguments against it. The main one is not ideological; it is that Britain is now the most centralised state in western Europe, and it does not work very well. It is an efficiency argument.

[Mr. David Curry]

If one sits on the Public Accounts Committee, as I have for a number of years, one sees, week after week, a parade of catastrophically bad spending by the state. It is all very well talking about the active state, or the benign state, but it is a jolly inefficient state most of the time. We need to look hard at passing that power down to elected representatives—to representative government. We should be careful about empowering non-representative groups, because there can be tyranny on a small scale, just as there can on a big scale. Those on the receiving end do not care whether the tyrant is big or little; the fact is that the actions are tyrannical. Let us pass power down to representative government.

I hope that when my party comes to look at regional structures, it will do what I think is a very conservative thing: invite local government to bid, with a price, for the powers that we want to remove from other organisations. Groups should get together and say, "Yes, we could deliver the competences of the regional development agency," or "We could deliver the competence in training and skills." I never understood why the RDAs were not given the competence of training and skills, given that economic development is supposed to be at the core of their purpose. Let us trust local government to bid for those powers, to say how it will deliver them, and to say how much that will cost. We should then let it get on and do that. That is an accountable system.

My second reflection is perhaps somewhat more controversial. One of the reasons I came into politics was a feeling that my generation had inherited a country that was in rapid transformation and, in many ways, had not come to terms with it. Britain was the sick man of Europe in my youth, when I was at university. When I was 18, in 1962, Dean Acheson, the American Secretary of State, made a speech in which he said:

"Great Britain has lost an Empire and not yet found a role."

I am leaving this House 48 years after Dean Acheson made that speech, and I believe that that dilemma for the United Kingdom remains unresolved.

We cling to an increasingly asymmetric relationship with the United States. I would not want us not to have a particular relationship with the United States, but increasingly we cannot sustain it on the basis of that old idea that something very special is at its heart. The current President has less interest in that idea than some—perhaps less than any other—of his predecessors whose roots went back to Europe.

We are perennially reluctant Europeans, yet no sane party has come up with a plan B on Europe. I look forward to seeing, from the perspective of my greenhouse, the changed reaction towards Europe of Conservative Back Benchers if they sit on the Government Benches, as opposed to the Opposition Benches, given my party leadership's decision to have constructive engagement on Europe, and its extraordinarily elegant and, from my point of view, extremely welcome climbdown on the referendum pledge.

I know that Europe has huge problems. In a sense, its bluff is being called: how can one create an economic union without the political union that goes with it? But the ability of the Europeans to cobble something together that works is absolutely astonishing. In a sense, there is something rather British about being able to put something together on an improvised basis that manages to carry on.

We talk about punching above our weight, but a person can only punch above their weight for a certain number of rounds, and then they get flattened. I do not want us to punch above our weight. I want us to work out what our weight is and punch at it. I do not want to go a gram above our weight. We send our young soldiers to die in Iraq and Afghanistan, but we do not have the means to sustain over a long term the total support that means that we can carry through those missions with complete success. If we are honest, we ended up in Iraq, in Basra, not in a glorious episode, but in a somewhat humiliating one. When it comes to the intervention in Afghanistan, I want to be able to say that we will see things through, so that I can say that those young people did not die in vain. If we cannot sustain those operations in the long term, we should not embark on them.

I would say to an incoming Government: look hard at the UK. Look at us from the outside as well as from the inside. Turn the telescope around sometimes, and look through both ends. What can we really do? What is it reasonable to ask our citizens to sustain? What is the effective power or weight of the United Kingdom in the modern world, where we spend all our time talking about the impact of globalisation? In the end, of course things boil down to budgets and economic performance, but we need to look honestly in the mirror of our national identity and national capability. If we do that, the next Government will perhaps be able to answer the challenge that Dean Acheson set 48 years ago, which, in many ways, has governed my political life.

6.18 pm

Mr. David Clelland (Tyne Bridge) (Lab): It is a great honour, indeed a privilege, to follow the right hon. Member for Skipton and Ripon (Mr. Curry). He represents the acceptable face of conservatism in this House, particularly on issues of local government. He has proved one of Parliament's most effective speakers, and he will be greatly missed. Like him and colleagues who have preceded me in this debate, I, too, will be leaving at the general election. This is my 25th Budget, and my last speech in a major debate in the House of Commons.

I spoke to some of my constituents over the weekend about the Budget, and although they did not feel that it was the most exciting one they had ever seen, they accepted it as sensible and right in the circumstances. It is a Budget for the economic times in which we live. It is responsible and designed to aid the recovery.

It will also be the last Budget before the general election, and the 14th Budget of a Labour Government. There have been many memorable Budgets from this Government, including those that heralded the winter fuel allowance, family and pensioner tax credits, and free bus travel—Budgets that have helped my constituency of Tyne Bridge, and the good people who live there: unemployment has tumbled since 1997; health services have improved; new schools and colleges have been built; educational standards and opportunities have improved for our young people; and housing has been modernised, and new houses provided. Although much more needs to be done, the Government have shown what can be done, given the opportunity, and what they will do in future.

Only last Friday I attended the launch of the redevelopment of Newcastle's west end, the scene of street riots in the early 1980s, where hundreds of new homes and community facilities will be provided thanks to a Labour Government. The redevelopment of Gateshead quays has seen an influx of new jobs and opportunities—a cultural revolution that has seen a town once described as

"a dirty back lane leading to Newcastle"

rise to become internationally renowned for sport and recreation, and its arts and cultural development. All that has taken place under a Labour council and a Labour Government. With the Government's help, hundreds of new homes will be provided on the site of a former freight yard near Gateshead town centre, which itself is being cleared to make way for new shops and housing. Indeed, the only famous—perhaps, infamous—building left to view is the "Get Carter" car park, which still stands, but not for much longer.

That story can be repeated right across the north-east, where the decline of heavy engineering and coal mining under the previous Conservative Government is being replaced with new opportunities. There are new industries, such as that of Nissan in Sunderland, which will soon develop the first generation of mass-produced electric cars. The production of offshore wind generators will, I hope, soon be boosted by Siemens, which plans a new manufacturing facility that would provide hundreds of new jobs. There is also the potential for clean coal technology and other innovative ideas, such as solid-state lighting systems, green technologies and so on, which are emerging in the region.

One NorthEast, our regional development agency, is at the centre of that, working with our businesses to develop the north-east's economy. The hon. Member for Meriden (Mrs. Spelman) confirmed that a Conservative Government would abolish One NorthEast, but Conservative candidates on the ground in the north-east do not take that attitude, because they know about the RDA's popularity and tell us that, if the region wants it to remain, it will remain. They have not said how they will decide on that, or whether they would have a referendum, but from candidates in the constituencies we hear a different story from that told by Opposition Front Benchers.

There is still a lot more to do, and all that needs to be added is the candid recognition that there is always a lot more to do. Indeed, if there is one thing that we can rely on Governments to do, it is not enough. However, economic recovery and future progress will rely on the public and private sectors working together. That is what Labour has promoted and, to a large degree, achieved: public and private sectors working in harmony and, sometimes, in partnership to provide the services and the prosperity that we all want. First, however, we have to tackle the deficit that has built up during the crisis that we have come through, and it is right that the banks, which sparked the crisis, should now do more to help the recovery by ensuring that small businesses can survive and grow. It is right also that important public services are protected, and that the public sector is not expected to pay for the mistakes of the private sector.

In the north-east, where the public sector accounts for 53 per cent. of GDP, we know only too well that threats of early and deep cuts in public spending would spell very bad news and threaten the recovery. Although it is true that much has been achieved and improved since 1997, the disparities between the north and south of our country stubbornly remain, much to the frustration of those of us who live in the north. Life in some parts of the south is becoming uncomfortable, with growing congestion and over-population; at the same time, life in parts of the north is made more difficult because the emerging industries and employment opportunities in the south are inaccessible to people, unless they move there and add to its congestion.

Attempts over the years to attract more business to the north have been frustrated by the concentration in London and the south-east of economic and political power, which is a magnet for development. One way to tackle the problem is to bring the north and south closer together by reducing the time it takes to travel between the two. The Labour Government's proposals to develop a high-speed rail network are a welcome contribution to that process. The development of high-speed rail on the continent has shown that the cities that the high-speed network directly serves benefit financially and are advantaged in comparison with those that are not. So if high-speed rail is to contribute to efforts to tackle the north-south divide, surely the areas that are most in need and farthest from the centre of national economic and political influence should be included on the network. It is vital to the north-east of England that the proposed high-speed rail network, not just the proposed spur line, serves the region.

It is disappointing, however, that otherwise forward-thinking and relatively young Transport Ministers find it so difficult to see beyond conventional rail systems. Surely we cannot be contemplating that, by the end of the 21st century, high-speed rail will still consist of hundreds of tonnes of metal trundling along on steel rails. Our continental competitors are ahead of us in the development of high-speed rail, so instead of taking one small step to catch up, why can our Ministers not take one huge leap, boldly go where none has gone before and develop a real high-speed network that is fit for the 21st century? I refer to maglev: a train carried on magnetic levitation—a British invention, by the way—at speeds of up to 300mph. It makes a mockery of current proposals and would really put Britain ahead of the game for once. Indeed, I recommend that Ministers examine UK Ultraspeed's response to the High Speed 2 report, which makes enlightening reading.

Other measures in the Budget are a little less headline-grabbing but important to the social life of many constituents. I note that the Prime Minister recently announced the appointment of a pubs Minister, in recognition of the demise of too many local pubs. I had to point out to the new Minister that working men's and other private non-profit-making members' clubs are also going through bad times, and that legislation such as the Licensing Act 2003, Gambling Act 2005 and the smoking ban, however well-meaning, have had a negative and often damaging effect. As a consequence, clubs are struggling and many have either closed or are under the threat of closure.

Those clubs are more often than not right in the centre and at the heart of our communities. They provide a venue for wedding receptions, funeral receptions, christenings, birthdays and so on, and it is disappointing that the Budget does not give any relief to such valuable

[Mr. David Clelland]

community assets. Indeed, increases in duties will aggravate the problem. I am pleased that the pubs Minister has announced that clubs will be included in his deliberations, and that a new inquiry, chaired by my very good friend, the noble Lord Bilston, will look at how clubs can be helped to survive and thrive. I look forward to its conclusions; it could not have a better or more knowledgeable chairman.

As I said at the beginning of my contribution, this is probably my last speech in a major debate in this House, and I, like my right hon. Friend the Member for Sheffield, Central (Mr. Caborn), came here after serving 23 years on the shop floor in heavy engineering. My election to Parliament was a source of pride to my parents, who lived through the war years and the years of austerity. My father was a political animal. He took such a close interest in politics, particularly Labour politics, that he was nicknamed Clem, after Clem Attlee—a name that he liked so much he adopted it for the rest of his life. But he never aspired to political office. My parents were proud not just of me but of our country, where people of modest backgrounds as well as professionals and the wealthy can make it to Parliament. It is vital that we retain that characteristic in the years ahead. Too often these days, people become career politicians after leaving university, and they have little or no knowledge of the real world outside this House.

I have had the privilege of representing the heart of Tyneside—the people I grew up with. When I go, owing to boundary changes, Tyne Bridge goes also, so it is probably an appropriate time for me to leave. I hope that I have been able to make my mark, however slight, on this place, and that those who arrive after the election not only find the job as fulfilling as I have, but are able to contribute effectively and passionately on behalf of their constituents. I thank my wife and family for their support over the years. It would not have been possible without that. Finally, I wish my successor and the new Parliament well. Being an MP has been a great privilege. I thank my constituents, my party and my union for giving me that opportunity. I hope that I have lived up to it.

6.29 pm

Mr. John Maples (Stratford-on-Avon) (Con): The hon. Member for Tyne Bridge (Mr. Clelland) has just made an eloquent plea on behalf of the north-east. I agree about the importance of people entering this place with experience of real life and real jobs; whatever that experience may be, it is important that this place is not just filled up with professional politicians. However, I want to take him up on one point—that the deficit built up over the recession. It did not: three quarters of it is entirely discretionary and entirely the result of Government spending decisions from about 2002 to 2008, when public spending ran out of control.

According to the Treasury's own figures, which rely on pretty optimistic growth assumptions, the structural part of the deficit was 9 per cent. last year and 8 per cent. this year, and it will decline to 6 per cent., 4.5 per cent., 3.5 per cent. and 3 per cent. over the next five years. In five years' time, if the growth assumptions in the Treasury's forecast are right, and if it is right about what the structural part of the deficit is—the error on that could be in both directions—we will be running a deficit of £50 billion a year. That is entirely discretionary. This is money that our children are going to have to pay back. We are borrowing £3,000 a year for every man, woman and child in the country. By the end of the forecasting period in the Red Book, we are talking about a debt of £1.4 trillion. The interest on that alone will cost every man, woman and child in the country £1,100 a year. The idea that deficit financing is a responsible thing to do is simply wrong: it is stealing from the next generation.

In a recession, one expects there to be a budget deficit as a result of natural stabilisers. Taxes fall and benefits for people who are unemployed rise. However, that is only about a third of the deficit—the other two thirds is entirely discretionary. I am afraid that I am one of those people who think it needs to be eliminated an awful lot faster than the Government plan. Holding spending still will not be enough. Even if we had growth of 2.5 per cent. a year, the process would take nine to 10 years.

Mr. Jeremy Browne: I ask this entirely in the spirit of genuine inquiry: does the hon. Gentleman think that this morning's announcement on national insurance by his party's Front Benchers would make the situation that he describes worse, or does he hope that the stimulus effect would mean that it was more than compensated for in economic growth?

Mr. Maples: The purpose of that was to try to do something to stimulate the creation of jobs in the private sector.

I am concerned about the level of gilt sales that we are indulging in. Over the next four years, according to the Red Book, the deficit will be about £570 billion. Maturities are running at about £40 billion a year. For the last year, all the gilts that the Government issued were sold to the Bank of England, so that will have to be undone over the next three or four years. On the Government's own figures, we are looking at selling £920 billion of gilts over the next four to five years. That is not possible without a major increase in interest rates, a major fall in the currency, or both.

Another reason why it is important to eliminate the deficit a lot faster is that the private sector cannot recover with these levels of borrowing and taxation, as well as inefficiencies in the use of people in the public sector. That will lead to a lower pound, higher interest rates, and, perhaps, inflation. We have been running an incredibly loose monetary policy alongside the fiscal policy, although that is partly to do with the problems in the banks.

I got interested in politics in the 1970s because I thought we were getting into terrible trouble on the Government's finances. I came into this place when a Conservative Government were trying to grapple with an inherited deficit of 9 per cent. of gross domestic product, and it looks as though the next Government are going to have to start from a much worse position than that. I fundamentally believe in sound public finance and sound monetary policy. We all know, from our personal life or our business life, that if one is getting into debt and things are not getting any better, the sooner one faces up to the problem and straightens it out, the sooner one's life can get back to normal.

Every business man knows this, and we all know it from our own lives. I am sure that we have all had periods when we have taken on debts that we cannot really afford and interest starts to catch up with us, which begins to mean that we cannot spend money on things we want to spend it on. The sooner one grapples with that problem and resolves it, the sooner one gets back to normal.

Part of the adjustment to this process will fall on the public sector work force, and I am afraid that it will be a very painful time. However, the Government have increased the public sector work force from 5.2 million to 6.1 million during their period in office. The pay bill is a quarter of public spending, and last year it went up by 3.8 per cent. A lot of those people are not productively employed. Let me take just three examples. In 1997, the Arts Council employed 200 people and its overhead was 5 per cent. of its budget. It now employs 765 people, and its overhead is 11 per cent. of its budget. Giving away other people's money has always seemed to me to be one of the easiest things to be tasked with in life, let alone public life. Why the Arts Council needs four times as many people to do the job as it did in 1997 beggars belief.

In the national health service, most of the increase in numbers has been in health professionals. Of 290,000 employees, 172,000 have been health professionals, but 120,000—40 per cent.—have been management and support staff. The Office for National Statistics has just reported that productivity is falling in the NHS. That is not surprising, because one cannot throw at it the amounts of money that the Government have and get value for money from it. The NHS can make massive efficiency and productivity savings over the next few years on the basis of the very generous settlements that the Government have given it. As for schools, there have been 41,000 more teachers but 90,000 more support staff. There is a huge increase in bureaucracy from which we can make savings. These people will move into the private sector as it starts to recover when the Government get out of the mess that they are in.

That will require a little bit of boosting on the supply side. I should like to make a couple of suggestions about how the unemployment that will inevitably be created gets picked up in the private sector more quickly than it might otherwise be. If I were Chancellor, I would have, for two years, 100 per cent. capital allowances and zero capital gains tax on business investment made during that period to try to bring forward business investment that will create jobs. That would mean a very significant tax incentive. The Government have gone a little way towards it, because they have reduced capital gains tax rates a lot over the past few years, but a temporary measure like that would do what is needed.

My other plea is that when public spending is cut, as it inevitably will be, we try to protect a couple of areas of the capital budget. The Government make two contributions to the productivity of the nation: in transport and in education. Although there has been a lot of investment in some aspects of transport, the investment in roads has been appalling under this Government. Many business men say that what they would like is not all the Government's programmes but a better road to the docks from wherever their factory happens to be. On higher and further education, raising the skills of people in the work force makes them more employable and more productive, and I would like that aspect to be protected. Other areas of capital spending will inevitably come under pressure, but they are always the easiest things to cut.

The banks have been one of the causes of the problems we have been experiencing, but, remarkably, they seem to fail completely to appreciate how unpopular they are, the problems they have caused or the need for any adjustment in how they are regulated and how they behave. They have gone back, remarkably quickly, to what seem to me to be their bad old ways. It is absolutely right for the Government, as the guarantor of retail deposits and the lender of last resort in terms of system risk, to say, "We're never going to have this happen again." I think Members in all parts of the House are agreed about that. We have heard all sorts of ideas: Adair Turner has talked about micro-regulation by the Financial Services Authority; David Walker has talked about the reform of bank boards and moving regulation into the Bank of England, which is probably a good idea. We have heard about counter-cyclical capital ratios, micro-prudential regulation, and watching liquidity. I am sure that all those ideas have something to contribute. However, if the new regulatory framework is to work, it will have to involve some international co-ordination; otherwise, people will just go into regulatory arbitrage, as they did before.

I would like to suggest something much more simple. The net assets and liabilities of the banking sector mirror the net assets and liabilities of the non-financial part of the economy. If bank balance sheets are growing at 10 per cent. a year but the economy is clearly not growing that fast, that tells us that there is a problem. That is mirrored, in turn, by the money supply. Throughout most of the previous decade, the economy was growing at about 3 per cent. a year and the money supply was growing at 10 per cent. That was a big red flag showing that there was a problem. One would not need to be a super-clever regulator to realise that banks were expanding their lending too fast and probably lending a lot of money to people who could not pay it back.

Ultimately, in all such banking crises, there is one problem—the banks made bad loans, and they will not get that money back. In this case, they got it so badly wrong that the taxpayer had to step in to help them out. The industry is too big—it is worth four and a half times our gross domestic product. By that I mean that the banks' balance sheets are too big, not that the financial services industry is too big. We must remember that for every fat cat banker with a £10 million bonus, there are probably 50,000 people working in fairly ordinary jobs in call centres or offices, processing transactions, in sales and marketing, or whatever. A very large number of people are employed in an industry that is a very important one for us internationally.

I should like to make a couple of suggestions of my own. The Americans have suggested bringing back the Glass-Steagall division between investment banking and commercial banking—the casino and the utility. I find that a pretty attractive idea, although I worry, on the other side, that big companies need banks that can do a lot of things for them. If we are not to go the whole hog, I do not see why we cannot put banks into silos. The bank could run its mergers and acquisitions and corporate finance business in one silo, with a certain amount of capital committed to it but not putting

[Mr. Maples]

deposits at risk. If it wanted to run a proprietary trading operation—frankly, I do not believe it should, because it would basically be betting against its customers—that should be in a separate silo. The only thing that the Government should guarantee is the retail deposits in a separate subsidiary of the banking group, and we should regulate very tightly what it did with that money. If a bank wanted to run its own internal hedge fund and lost money on that, it would lose a certain amount of capital, but it would not put the rest of the business at risk, as Lehman Brothers did.

We have to stop people gambling. In insurance, one cannot have a reinsurance contract without having an insurance contract in the first place—one cannot insure something in which one does not have an interest. It ought to be the same with credit default swaps and associated derivatives. There are trillions of them floating on a tiny amount of real transactions, and they ought to be restricted to the amount of the real transactions.

The big point that I wish to make is that the ethics and morality of the banking business need to change. When the closed shop of English gentlemen who ran the City for a couple of hundred years was broken up 30 years ago, we got an eat-what-you-kill philosophy from the Americans instead. It is pernicious, because it encourages an individual to take a very short-term view of what he or she does, in the interests of maximising his or her own bonus. Nobody is looking after the firm or much concerned about the customer. Bankers need to start thinking about the purpose of what they do, and they need to reintroduce strong ethics to it. They need to deal with conflicts of interest over proprietary trading, and they must put the good of the customer and the organisation that they work for much higher up their agenda.

I believe that the idea of a transaction tax on banks is terrible, as it would just get passed on to customers. However, the idea of taxing the banks' profits a bit more might be good. The reason why they are making so much money at the moment is that they can borrow it from the Bank of England for next to nothing. The argument for a windfall tax on the banks is pretty overwhelming, and if my party is in charge of these affairs in a couple of months' time, as I hope it will be, I hope that it will take that on board.

I came into this place when a Conservative Government were trying to sort out the terrible fiscal and monetary mess that a Labour Government had led us into, and I fear that I am leaving when the same thing is about to happen. In between, there was a period of pretty sound finance both under our party and under the current Government for their first five, six or seven years. I fundamentally and fervently believe that it is the job of the Government to run their finances soundly; otherwise, they are mortgaging the future of our children and grandchildren, which is at worst immoral and at best not very intelligent.

6.42 pm

Alan Simpson (Nottingham, South) (Lab): I came into the House 18 years ago frustrated by a Government who had sold the pass on manufacturing in favour of a dangerous flirtation with speculative and deregulated finance. So, a lot has changed in those 18 years.

We are where we are because of the mess that speculative and deregulated finance has taken the UK and global economy into. We currently hover somewhere between recession and recovery; with the good news being that unemployment is falling and the bad news being that employment is also falling. The fear is that, at the coming election, the public could be faced with a choice between the Tories, who would take Britain into a double-dip recession, and a Labour programme that could offer the prospects of jobless growth and kinder cuts. The House and the country need a bigger vision to be put on offer at the general election.

I remind the House that it was not public services that took the UK into the economic crisis; it was bankers and speculators who played around with the casino economy at the expense of the real economy. As a Parliament, we have failed to remain focused on that. Instead, we have allowed the debate to be shifted into a narrow argument about whose cuts will be the gentlest. I agree with the Treasury Committee that Parliament and the Government have missed a huge opportunity in failing to take up the prospect of breaking up the banks in the way that the hon. Member for Stratford-on-Avon (Mr. Maples) has outlined; by separating the retail, high-street functions of banks that deal with the receipt of our wages and savings from the banks that want to go into the more speculative parts of the casino economy. If they are going to gamble, let them gamble, but they cannot be underwritten by a public bail-out that has to be paid for at the expense of public services. We are asking the wrong people to pay the price of the crisis that we have been thrown into.

I happen to believe in the value of a tax on speculative transfers, which would, not necessarily be a tax on high-street banking. The idea was first introduced by the economist James Tobin in 1985. The great advantage of a 0.05 per cent transactions tax is that it would not harm long-term, serious investment in any way, but it would do tax damage to those who move money around by the hour, minute, second and microsecond. We ought to take a punitive tax view of such destruction of the real economy.

The House needs to ask itself what has been achieved for the country by the £185 billion bail-out of the banks. The reality is that, in the current recession, there has been a contraction in the economy of £80 billion, £46 billion of which has been a cut in investment. It is right for us to ask ourselves whether throwing that quantum of money into bailing out the banks has done harm or good to the real economy.

Another economist, the late John Kenneth Galbraith, described this approach as the horse and sparrow philosophy. It was the thinking that if one needed to feed both a horse and a sparrow, one could simply feed as many oats as possible into the mouth of the horse. Some of it would eventually pass straight through and feed the sparrow on the ground. Galbraith simply pointed out that there were better ways of feeding sparrows. The same message needs to be passed to the Treasury and the Government today. There are better ways of feeding the sparrows who keep our manufacturing economy going than throwing money into the banks. Despite what we say in the Chamber about interest rates, if we talk to companies that are trying to get access to credit, we hear that they are currently facing charges of 14 to

15 per cent. There is nothing like a near-zero interest rate in the real economy in which they are trying to survive.

Like the Secretary of State for Communities and Local Government, I believe that the focus needs to be on jobs, and I think it needs to be on green jobs. For a moment, I got really excited about the proposal to create a green investment bank. However, page 105 of the Red Book states that

"the Government intends to create a Green Investment Bank, with a mandate to invest in low-carbon infrastructure. The Government will start by investing up to £1 billion from the sale of infrastructure-related assets and will seek to match this with at least £1 billion of private sector investment".

That amounts to not spend-to-save but sell-to-loan, and on a scale that is pitifully unambitious.

We can look at the opportunities that were missed in the Budget. Since 1999, when the Government introduced individual savings accounts, 19 million people have put about £175 billion of their tax-free savings into ISAs. Yet we have never sought to direct what those ISAs could be used for. If we had made them conditional on green infrastructure investment, we could have had that £175 billion pot as a condition of the tax concessions we offered. We could have done exactly the same through conditions attached to pension tax relief. We could have said to the bank that we currently own, the Royal Bank of Scotland, that a defined percentage of its investments and lending had to be focused on the delivery of green infrastructure.

The reality across the international landscape is that other countries are driving their economic recovery, and job generation programmes, by taking themselves into a different space, post the crisis, from the one that they occupied before it happened. The Budget fails to follow those leads. Many years ago, my father tried to explain to me, in simple terms, that life is an economic money-go-round. One simply has to ask oneself where the money gets on, where it gets off and who walks off with it. The Budget fails to have the courage to redirect the money-go-round. It is the task of Government not to retreat from the large challenge of redirecting the money instead of arguing who should make do with less.

Let me give an example from Germany. Some time ago, I brought to the UK to meet UK Ministers a sophisticated, urbane politician called Hermann Scheer, the architect of Germany's feed-in tariff legislation. During the ministerial discussions, he was told, "That's all very interesting, but it's a heck of an expensive interventionist policy to pursue." He politely gave a cameo example to show that the exact opposite was true. He pointed out that the average German citizen spent €3,500 on annual energy costs in the home and the workplace. So the average German Lander—a county or region of about 1 million people—spent €3.5 billion each year on purchasing its energy. He said that most of the energy purchases came from external sources—third countries or multinationals. The money was thrown out of Germany's windows to enrich others.

Scheer explained that all they did was to change the way in which they thought about the money-go-round. They realised that by simply spending €3.5 billion a year—the same sum—on themselves, they could find a way out of the recession rather than digging themselves deeper into it. That sort of fundamental rethink about the workings of the money-go-round needs to find roots in this country, this Government and this House.

Countries that pursue such a line find that they gain job security and economic security, that their Exchequer has increased tax revenues and that they get energy security. The same can apply to food policy and water security. However, it requires us to break away from the myth that interventionism is a pitfall for all Governments. I find it sad that we have inherited a fear of picking losers rather than winners. This has made us retreat behind an unstable and unconvincing belief that deregulated markets will take us out of, rather than drive us into, a crisis.

Sadly, it is certain that Conservative proposals would plunge us back into crisis and that the Labour Budget will not take us out of it. We need something more; something which will break the hold that speculative finance has on the UK economy. We need something to break the power the energy cartel has to define the short-term nature of the UK energy market and make incessant demands for corporate subsidies. We need something that intervenes to break the power of multi-commodity traders to undermine UK food security and define the basis of an unstable and unsustainable UK food policy. We need a Government who are unafraid to wrest power from the exploitative and unsustainable in favour of those who want their ecological footprint to be sustainable. Will we get that at the coming election? I suspect not.

I will not be part of the next Parliament. I am simply following my mentor, Tony Benn, who said that he was leaving Parliament to spend more time in politics. As a parting promise, I say to the House that I shall seek to be part of the social movements that ensure I am as much of a pain in the backside to this place from outside Parliament as I have tried to be inside Parliament. I hope to bring constructive discomfort to all those who stand in the way of the future that Britain needs.

6.54 pm

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): Unlike the hon. Member for Nottingham, South (Alan Simpson), who has just concluded his contribution in characteristically robust and witty fashion, I will not follow the general trend of the debate by describing my speech as a valedictory address—I hope that it is not, as one who seeks re-election. Indeed, if God spares me for another 10 days or so, I can at least confidently state that this will not be my last contribution of the Parliament, because, for the first time in nearly 27 years, I have got Question 1 in Scotland Question Time immediately after the Easter recess.

Reflecting on the many and varied valedictory addresses to which the Chamber has been privileged to listen this evening, it has struck me that one's maiden speech is heard with indulgence and some affection and good will, that one's valedictory speech is heard with gained and earned respect and also some affection, and it is just the bit in between that can be sheer hell on the Floor of the House. We should probably all bear that in mind; it is a good corrective.

I want to contribute briefly, essentially from a constituency vantage point, and speak about one or two items in the Budget and their impact on my part of the country. In doing that, I recognise that the Budget is constrained through the financial circumstances and that its measures are liable to be frustrated because of

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parliamentary constraints. We all know that we will look for the real Budget—the real measures—in the comprehensive spending review and the voting decisions that are made in the next Parliament, whatever its arithmetic. The Budget has therefore been presented in that shade and is subject to recessionary and banking pressures that have been generated globally, particularly in the past 12 to 18 months.

Bashing the bankers has become as popular as bashing Members of Parliament—I say that on the day of a significant statement about the new expenses regime that will kick in for the next House of Commons. I believe that, even without the banking implosion, when this or any other country—but certainly our country, which remains an island economy, however much we are enmeshed in a welcome way in the single European market—hits tough times economically, although of course we need our banks and we need them to behave responsibly and properly, as they should have done, we essentially need to build our way out of recession. That means a viable and vibrant manufacturing base and an emphasis on construction, which can do so much to help kick-start or pick up the momentum of the economy in different parts of the country. That applies especially to a traditionally fragile economic area such as mine, which is on the periphery of the market and of the UK, as well as of the European Union, and is always destined to be—the highlands and islands of Scotland.

One need only consider current unemployment and what sector those who are unemployed were in when they last had a job to realise that the proportion in construction or construction-related activity was enormous. Of course, as the Secretary of State rightly said when he opened the debate, the spin-off benefits of new build in the housing sector and the knock-on effects are significant. I therefore hope that the changes in the Budget, for example, on stamp duty, will help the Scottish economy as much as the English economy, perhaps particularly that of the south-east of England, and give a lift to a more buoyant housing market, which will assist the movement of money and people and help release an increase in the wealth passing hands across the economy for the construction of new housing generally.

That will go a long way to help to lift unemployment in so many parts of the country, as will the more modest but much needed construction-related activity that has arisen not least because of the atrocious winter weather that we have suffered. I represent the second northernmost constituency on the mainland, and if I may say, those engaged in dealing with the severity of the snow that we faced this winter performed magnificently. That construction-related activity has arisen not only because of the recent weather, but there is a persistent problem because of underfunding, so I hope that the Scottish National party Government in Edinburgh will be constructive and responsible in their approach to the extra funding from the UK Exchequer. I hope that they will not—as is so often their wont—turn it into a political football between them and the Labour Government in London as to who can match whom for funding. The fact is that the road user and the individual citizen in Scotland, including in the highlands, is less concerned about who gives the stamp of approval for investment than about that investment getting through, so that there is a much-needed improvement in infrastructure.

My second point—I am speaking wearing my informal hat as rector of the university of Glasgow, and I am perhaps not required to declare that as an interest—is on the welcome increase in spending on higher education. Last year, Lord Mandelson made announcements about sudden, dramatic and unanticipated cuts, but he is in danger of ditching centuries upon centuries of British history with regard to the university sector. I did a TV programme with him on Budget day last week, when he simply lectured the universities on how they must cut their cloth accordingly, find savings, do what they were told and the rest of it. Even Mrs. Thatcher did not talk about the universities in quite that way. They may frequently have irritated her, but she accepted that under the workings of our unwritten constitution, at the end of the day, they are supposed to be independent institutions, despite the fact that they rightly receive public subvention. Lord Mandelson does not appear to feel constrained even to the extent that Mrs. Thatcher did in her most modest moments.

Real-terms cuts have been announced for the Scottish universities. On the back of last week's Budget, the Scottish Funding Council announced that 20 Scottish institutions will receive a 1.2 per cent. increase in funding for 2009-10, but, as the National Union of Students Scotland and the University and College Union say, that represents a real-terms cut overall, which does not match what the SFC said on 18 March, which was that there has already been a cut of £573 million from this year's budget. Just as we need to invest in infrastructure, we need to invest in the future. There is a common consensus across the political spectrum that education, skilled training, innovation, science and research are going to be crucial for our country in the long term. The Government are therefore pursuing a false economy in the tertiary sector.

An innovative approach to the economy is demonstrated by the interesting proposals for the green bank, which are worthy of support. That could help further to kick-start our exploration of alternative strategies for economic renewal and maintenance of the economy generally, and it pushes the boat out further, not least in the energy sector. Scotland, including the highlands and islands, has so much to offer on renewables. I hope that the beginnings represented by the green bank will help to place my part of the country even more at the forefront of cutting-edge technologies for further generations.

Something else that helps to correct the inevitable geographic imbalance of my constituency—I referred to that earlier—is the arrival of broadband. The steps that the Government are taking to extend the scope and coverage of broadband are welcome, and the Prime Minister recently said that there will be 90-plus per cent. coverage, but lo and behold, my part of the country is one of the areas that will not be covered soon. That is despite the fact that it is one of the areas of the country most in need of the opportunity that broadband and super broadband provides to help to alleviate the in-built difficulties that we face in access to markets and consumers, and to give us the ability to compete on a level playing field.

Another feature of this Budget and so many before it—Labour and Conservative—is that the playing field is grossly distorted by the way in which fuel duty is applied in this country. Although the Chancellor is

phasing the increase in three instalments from this year to the next, there is still—after years of reports, investigations and pleas from across the political spectrum—no recognition of the pressing difficulties caused by fuel duty in rural areas, where public transport is all too often not available, and where the motor vehicle is not a luxury item, but an absolutely social and economic necessity. In that way, I am afraid to say, the Budget falls well short.

The Budget will be a key issue in the coming weeks in our part of the country. Some measures are welcome, but there is so much more to campaign for.

7.6 pm

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): This will probably be the last speech I make in Parliament as the Member for Sheffield, Attercliffe. I do not intend to lose in the general election, but unfortunately the Electoral Commission, in its wisdom, decided to rename my seat Sheffield, South-East, which is rather disappointing. Although that is a technically accurate geographical description of the constituency, the Sheffield, Attercliffe constituency has existed since 1885—125 years—and I like the idea of continuing to use historical names. I am slightly disappointed about that, but I nevertheless hope to represent the constituency under its new name after the election.

There have been many speeches from right hon. and hon. Members who are leaving Parliament, and we wish them all well. I have enjoyed the companionship of my hon. Friend the Member for Nottingham, South (Alan Simpson), who has just left the Chamber, and I value his friendship. We have not always seen eye to eye or been on the same side of arguments, but we have certainly always been on the same side in the parliamentary football team, where we have enjoyed several games together.

I also want to comment on the contribution of the right hon. Member for Skipton and Ripon (Mr. Curry). Over the years, I have enjoyed many debates with him, both in the Chamber and in Committee. He did his best to argue the case for, and the cause of, local government when he was Local Government Minister. Many on the Government Benches have great respect for what he has achieved and how he has put his views forward, and for his great wealth of knowledge on local government, housing and planning. Unfortunately, his time as Minister was rather constrained by the yoke of Thatcherism, under which he laboured—he did not always agree with it—but we will be sorry to see him go. Before he does so, perhaps he could give a few tips on the real meaning of localism to one or two Conservative Front Benchers. I shall come to my right hon. Friend the Member for Sheffield, Central (Mr. Caborn) in a minute.

At a recent meeting of the Select Committee on Yorkshire and the Humber, regional representatives from the Federation of Small Businesses, the British Chambers of Commerce, the CBI and the Engineering Employers Federation were united in giving us two messages: first, that Yorkshire Forward, the regional development agency, is doing a good job in helping them through the recession, and that we should not get rid of it; and, secondly, that we should not start making cuts now, and that the recovery is too fragile and limited to run the risk of pushing them back into a double-dip recession. Industry and business made that argument clearly and with a united voice, and we ought to pay heed to it.

This morning, I visited a company called Birley Manufacturing. We talked briefly about the Budget, but also about the company's interest in the Government's long-term commitment to spending in certain areas. We often forget that public spending is not simply about jobs and service provision in the public sector; it is also important for private business. That company makes the skirts that go under high-speed trains and it has had a major programme of investment over the past few years, so it is important that it knows what the future holds for Government commitment to public investment in transport.

Sheffield is clearly having a difficult time in the recession, like the rest of the country, but we are not experiencing anything like what happened in the 1980s—the scenes of devastation and destruction, with 40,000 people losing their jobs in steel and engineering over a decade in the Lower Don valley, in my constituency and that of my right hon. Friend the Member for Sheffield, Central. Of course, there have been some redundancies, but there have also been some real success stories. My right hon. Friend mentioned Sheffield Forgemasters, which has seen a management buy-out with the workers owning a large percentage of the company. It is going from strength to strength, with 70 apprentices taken on. It is also making a multimillion pound investment in a major new forging press so that it can be a significant producer of parts for the new nuclear programme here and overseas. Some £80 million of Government assistance has been given. We should not return to old policies of supporting failure in business, but the Government should consider how we can enable successes, and Sheffield Forgemasters is a major success.

I congratulate the Secretary of State for Business, Innovation and Skills and Ministers in that Department, but I especially congratulate my right hon. Friend the Member for Sheffield, Central. He really underplayed his involvement, but if it had not been for his knowledge, understanding, commitment, drive and refusal to give up, that investment would not have been made and those jobs for the future in our advanced manufacturing sector—not only for Sheffield, but for the UK—would not have been secured.

Advanced manufacturing is the way forward for Sheffield and the UK. We should not forget that we are the sixth major manufacturing exporter in the world. When I went the other week to the advanced manufacturing park that my right hon. Friend mentioned, it was put to me very simply: "If the Chinese can produce goods with wage costs at 20 per cent. of ours, we have to be able to produce goods with a labour input of 20 per cent. of that of the Chinese." With ceramic cutting tools, machines can do a job in less than 20 per cent. of the time they used to take with the old tools, and that is how British manufacturing will move forward. The Government have to be part of that, and the advanced manufacturing park is supported by Yorkshire Forward with the university of Sheffield, Rolls-Royce, BAE Systems and Japanese machine tool companies all working together. That is the future, so that when we start producing new nuclear plant in this country, much of it will be made here.

It is also right that we should do more to ensure that parts, equipment and machinery for the green energy revolution are made in this country. I therefore welcome

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the commitment to a green investment bank and the decision by Siemens—another company with a base in my constituency—to start producing wind turbines here. That is another important step forward for advanced manufacturing and future industries. Sheffield now has a diversified economy, so I also welcome the help for the computer games industry, which is partly based in the city. We should think more about new industries.

We do face a reduction in public expenditure, but I notice that the Conservatives have not undertaken to protect schools. I am pleased that this Government have done so. Since 1997, spending per pupil has gone up roughly 100 per cent. in secondary and primary schools in Sheffield. In 1997, we were spending £4 million on school buildings, but last year we spent £70 million. Does that make a difference to the pupils? Of course it does. Some 38 per cent. of pupils got five or more GCSEs at grades A to C in 1997, but 60 per cent. did so in 2009. That shows that the investment in education is working. Some 58 per cent. more young people in my constituency now go to university than did in 1997. Of course universities have to make efficiency savings like everyone else, but I caution Ministers to remember that it is vital to keep a thriving university sector, because it is universities and business working together that will create the advanced manufacturing industries of the future and ensure that we can sustain the cutting edge of efficiency and productivity that we need to survive.

Local government will go through a difficult period, but over the past few years it has achieved 2 per cent. efficiency savings, and we should give it credit for that. We need to protect hospitals and health services, but it would be folly to protect the health service while forcing major cuts in social services. We have to take a more joined-up view of those services. We must learn from the pilot programme on Total Place. Efficiency savings can be found in overlap and duplication, but let us look at the services in totality instead of as separate entities in different silos. The public do not see those services that way, and we should not do so either. That will be a challenge, but I am sure that local government will rise to it. We have to give it greater freedom and the ability to connect and share budgets and resources with other government activity in the local area.

I have a particular interest in housing, and I am pleased by the Government's efforts to help people through the recession, including help with mortgages to reduce the number of repossessions and the start of a council house building programme again. I welcome the housing revenue account reforms, which will guarantee 10,000 new build a year in the local authority sector, and provide 10 per cent. more money for management and maintenance to try to secure the future finances of social housing. But there is still the challenge of how to increase the number of social houses built. When the recovery comes in the housing market, housing associations will be able to do more, but we have to find a way to bring more private sector financing into arm's length management organisations and more investment in long-term private rented housing of good quality.

When it comes to cuts, it is often easy to cut long-term capital projects to protect ongoing revenue expenditure. That would be folly. The Government are right to commit to long-term investment in high speed rail and a line from Sheffield to Leeds—rather than the ridiculous suggestion of a link from Manchester across the Pennines to Leeds. Sheffield and Leeds are united in supporting the Government's proposals. The commitment to further electrification is right, and I want the midland main line to come as soon as possible.

I also welcome developments such as tram trains. It is important to continue to invest in transport infrastructure not only because it is important for the economy directly, but because supplying the carriages, the locomotives and the infrastructure of the track should be done by British companies with a base in Britain. Those companies need certainty, not the swapping and cutting that often happens in recessions, when capital expenditure is the first to go. That causes real problems for the long-term plans of the private sector, which wants to be part of delivering those projects.

I am still not sure about the Government's answer to binge drinking, which is to put alcohol duties up regularly. The supermarkets will still sell lager at a discounted price, and pubs will continue to struggle—although I welcome the help that the Government have offered.

This is a sensible Budget. It is not dramatic, but it is a difficult Budget given in difficult circumstances. My right hon. Friend the Chancellor is right to make support for business, skills and jobs his priority, because the long-term recovery will be based on those.

7.18 pm

Mr. Nicholas Soames (Mid-Sussex) (Con): It has been a great privilege tonight to listen to a series of impressive valedictory speeches, not least from the right hon. Member for Sheffield, Central (Mr. Caborn) and the hon. Member for Sheffield, Attercliffe (Mr. Betts)—one of which was semi vale and the other complete vale. I was especially taken by the words of my right hon. and learned Friend the Member for Devizes (Mr. Ancram), who spoke of the stewardship of the economy—a concept that has deep-seated roots in this country in terms of the land, the environment, wealth, possessions, the creation of wealth and the administration of the economy. He has served his party and his country with great distinction down the years and he made a powerful and important speech that will bear further reading.

I also pay tribute to other hon. Gentlemen, including my great friend the hon. Member for Nottingham, South (Alan Simpson), who has been an original, high-minded and brave Member of the House. Other Members of Parliament to come could do well to follow his steps. I was also privileged to be in the House on Thursday night to hear the farewell speech of the hon. Member for Sunderland, South (Mr. Mullin), who made a really remarkable speech. I am proud of the fact that I have served with him in the House of Commons, including alongside him on a number of occasions, which was a great privilege. He will be very much missed in the House, and to anyone wanting a rattling good read, I highly commend his book.

This was the most assive Budget that I have heard in my 27 years in the House. I am not quite sure what it is for, except as a kind of semi colon before the general election. It seems to be an empty Budget. I do not propose to deal with it in great detail, because there is no great detail to deal with. However, I want to make one particularly important point in relation to my

constituency. Before I do that, however, let me say that none of my remarks relates to the Financial Secretary, who I know is a good, straight soldier. However, he serves in a rotten Administration, and I want to say a few words about the Chancellor and the Prime Minister. I hope that they both understand—because I am not sure that they do—how angry and distressed people are in this country at the financial situation that we have been dragged into. In particular, many people are angry that the Government could have done so much more to prevent the United Kingdom from finding itself in such a parlous situation, for we have truly gone backwards.

It is to the Prime Minister that the blame for the most serious failings must attach. This is not an ad hominem attack on the Prime Minister; this is business. It was his failure to respond either to the massive inflation in house prices, despite the most earnest warnings, to personal debt spiralling out of all control, or to the grave regulatory errors in the banking system that lies at the heart of the failings of this economy. As the hon. Member for Sunderland, South said so wisely, it is difficult to see how the United Kingdom's economy can prosper when its main industry is shopping.

As well as pillaging the pensions arrangements of many of our people, the Prime Minister decimated our reserves when he was Chancellor of the Exchequer by selling 395 tonnes of gold at an average rate of $270 an ounce. The price for gold now stands at more than $1,000 an ounce. That surely must be one of the most appalling errors of judgment of any Chancellor in the history of the office. He has misspent public money excessively and wastefully, and too often to very little effect. He was responsible for running up public debt when he should have been paying it off, yet he still has the nerve to come to the House and tell us that he has abolished the cycle of boom and bust. That is such a fantasy position that one almost wonders sometimes whether the Prime Minister is in full possession of his faculties.

The House must remember that it was the Prime Minister, as Chancellor, who took all the big decisions on pensions, and who effectively wrecked one of the best financial systems of provision in the world. He destroyed the system of savings in this country and will have effectively impoverished generations of old people—past, present and to come. However, what is so worrying—and, I think, so sad—is that the legacy that this Government will leave is that of a high-tax, essentially anti-wealth, anti-aspiration and now almost anti-hard work country that lags in almost every respect that matters.

My right hon. Friend the Leader of the Opposition and the shadow Chancellor both made highly effective speeches setting out their critique of this phony Budget, but I would like briefly to mention a matter that most profoundly affects the enterprise culture in this country, and therefore reflects the entire system of wealth creation, which pays for absolutely everything. Like many hon. Members in all parts of the House, every year I carry out a simple pre-Budget survey in my constituency among businesses and business people. There has never been a year since this Government came to power when the main complaint has not been the quite astonishing level of bureaucracy and red tape that the Chancellor and his friends, most particularly the Prime Minister, have sought to impose on enterprise and strangle it with. The truth is that the Government now stand in the way of an enterprise economy. They are, in themselves, an obstacle to progress.

Mr. Deputy Speaker, I do not know whether you saw an excellent article in *The Daily Telegraph* today by Alistair Cox, chief executive of Hays, the recruitment company, but he makes this important point about what part of the problem is:

> "Many businesses would like to recruit more staff, either temporary or permanent, but often feel there are too many risks involved, too many barriers to make it worthwhile. Others are suffering chronic skill shortages in key roles. Some are even scaling back their ambitions because of the difficulties involved in employing people today... The only way of creating long-term, sustainable employment is to create the right economic, legislative and social framework to nurture new businesses and encourage existing ones to grow."

In that, this Government have been a dismal and singular failure. The cost of Government regulation to business in the United Kingdom now runs at £80 billion a year. That is the equivalent of 5.7 per cent. of the United Kingdom's entire gross domestic product. Business people in my constituency spend about 13 hours a month administering the Government's red tape alone, while people in their work forces can sometimes spend more than 70 hours a month on administration. The truth is that the valuable concept of a low-regulation, low-tax, competitive economy, which came to fruition in the later years of Lady Thatcher's Government, and subsequently under the Government of my right hon. Friend the former Member for Huntingdon, has been gravely eroded, as enterprise sinks further every day into a bog of regulation and higher taxes.

We are in the midst of an enduring financial crisis, not just here but across Europe, and it has exposed our many weaknesses in coming to grips and competing in a global economy. Those failings—in competitiveness, productivity, training and education—will all have to be fixed if Britain is to play a successful part in the world. With all the other difficulties that will fall to the next Government, in terms of public expenditure there will be the most vital job to be done in fixing our national competitiveness and productivity to prepare the British economy and all our people for the difficulties of the global challenges that we face. At the same time, we will have to defend free markets, free trade and global capitalism, all of which are bound to come under attack, as they do in times of great difficulty and hardship.

This has indeed been a profligate and disastrous Government for the economy of this country. The Government have lost all credibility—that, as you know Mr. Deputy Speaker, is a most vital asset for any Government—and, much as I regret to have to say it, we are now seen as again becoming what we were in the 1970s: a political and economic backwater. With that disintegration of our financial and economic influence naturally comes a dissipation of our ability to change things in the rest of the world, because however good is our military, economics represents real power.

The resolution of those matters will require iron resolve and huge courage—qualities that I know my right hon. Friend the Leader of the Opposition and the shadow Chancellor will put to good use in a new Government to fix a broken economy, deal with a budget deficit that threatens our recovery, boost enterprise and small business, get Britain moving and build an economy that really works for everyone.

7.29 pm

Laura Moffatt (Crawley) (Lab): It is an absolute pleasure to follow the hon. Member for Mid-Sussex (Mr. Soames) and, of course, it is not the first time that I have done so. I follow him in representing the fantastic constituency of Crawley, and I am sure that he will remember well the days when he did so. I was interested to hear him talk about the harm that the Government have apparently done to business. I remember that, when he represented Crawley during the recession of the early 1990s, companies were falling like ninepins and people were losing their jobs and homes day after day. They found that their homes were not worth half what they had been worth when they bought them. Nothing was done to help those people; no assistance was offered by the Government.

I support this measured, quiet Budget. It is taking us on a journey, with its support for business and families. It did not make huge promises that could not be met, but it understands that our communities need support. We are debating infrastructure and growth today, and they are at the heart of my constituency, whose many companies are demonstrating innovation and entrepreneurship and offering employment. It is important for those companies to know that the Government understand their needs.

It was interesting to hear the hon. Gentleman talk about red tape in the workplace. Many of the people I talk to feel that that red tape is about being safe at work, about having decent employment or about people having their disability recognised in the workplace so that they can give of their best. This is the argument about intervention versus leaving everything to market forces, and it is obvious from the debate that there are different views on that across the House. Most Labour Members believe that intervention is right, and that it was right, for example, to support the banks—although not the bankers. The right hon. and learned Member for Devizes (Mr. Ancram) was absolutely right in his assessment of those who led us into this appalling problem and who have no understanding of what they have done.

Securing the economic well-being of our communities is achieved not only by the Budget but, day in and day out, by those who are keen to see their companies grow and keen to employ people properly. Those people understand how good companies can operate in our communities. That is why I was pleased to see the proposals for the development of the green investment bank. A company in my constituency, Ceres Power, is developing a fuel cell that will reduce our reliance on carbon energy by 50 per cent. It is important to support such companies and to help them to get investment, and it would have been helpful for that company to have had the green investment bank to turn to, because its only stated aim was to produce a product that would reduce our reliance on carbon and make the planet a better place. That was therefore an excellent Budget proposal, and I hope to see the project expand and grow.

As we are focusing on investment and infrastructure, it is important to say how good it was to see the investment in the Thameslink programme reinforced. That will involve more than £5 billion of investment to improve the line between Brighton and Bedford, and all the stations in between. That is a crucial route, in that it brings work and investment to the area. It allows people to live and work in an already overcrowded area by providing a decent means of travel and reducing their reliance on road vehicles.

Those of us who serve on the all-party group on Thameslink were upset to see that the decision to appoint a preferred bidder for the rolling stock had been delayed. Speaking as one of the signatories to the early-day motion calling for that decision to be announced before the Easter recess, I hope that we will hear about that soon, although I accept that we are cutting it fine. That would demonstrate a real commitment and let us know that the programme, which is so important to us, was safe. If we are to attract business, it is vital to invest in our major infrastructure centres such as Gatwick airport. The redevelopment of the train station there is crucial to our businesses.

That brings me to the reasons why I fully support the regional development agencies, especially the South East England Development Agency, which has done an enormous amount of good in attracting business to, and keeping business in, the south-east. There is often a tremendous pull to go elsewhere, and a business that is prospering can sometimes need help to remain in the area. SEEDA has been at the forefront of providing much of that support. I do not trust or support the notion that local authorities, alone or in partnership, will be able to do that work. I foresee all sorts of difficulties if a particular local authority were to take a leading role, to the disadvantage of others. The good thing about having a regional development agency that can take a step away from the political forum is that it can think about investment in a much more strategic way, and I hope that that will continue.

Supporting our businesses by giving them time to pay their tax has been hugely welcomed, in my constituency and elsewhere. Through my role as assistant Minister for the South East, I have discovered that other businesses throughout the region have found that support extremely helpful. Small interventions can give confidence to businesses and companies, which can make all the difference to their business decisions. We should not underestimate how much such initiatives have helped.

The use of programmes such as the mortgage rescue scheme might not always entail the buying of a home, but early intervention by the local authority is crucial. Crawley borough council, for example, has demonstrated that the system has been very helpful. It has not had to hand over vast sums of money to assist people, but it has intervened with good, early advice to mortgage owners to prevent repossession. We cannot underestimate the importance of that. We have all sorts of methods for promoting help and support in our communities.

I have listened to the argument that we have no right to sell our future, as it is only on loan to us from our children. I believe, however, that every child whose parent did not lose their job because their company was given time to pay its taxes represents an investment worth making; every child whose parents did not lose their home, thanks to the intervention of this Government, represents an intervention worth applauding; and every young person who was taken on by a company through the future jobs fund and given an opportunity in the workplace will be thanking this Government for ensuring that they have a future.

Of course, such intervention requires money. In this fragile economy, when we are gently coming out of recession and back into growth, and when companies

are feeling just enough confidence to acquire new equipment and take on new staff, we have no right to put any of that at risk. We in this House have no right to throw caution to the wind in order to pay back debt, and to throw those people into turmoil once again. I hope that, when my right hon. and hon. Friends are back in their places on the Front Bench after the general election, they will understand that this investment needs to continue. The confidence and sense of security that the business community needs to do its job are greatly valued. I did not get lots of surveys back saying that people were fed up with red tape. The people in our communities are begging for more help and support. They are not saying that they do not want that to continue; they are asking for more to be done for them.

After the general election, when I have left the House, I am going to be testing—I hope so, if any trust will have me—whether investment in the NHS has been as valuable as I always hoped it was over the last 13 years, providing us with a health service of which we can at last be immensely proud and one that we can be sure is becoming a world-class system. I have decided to get back my registration from my nursing career and I intend to test that system to ensure that all that the Government and Labour Members have done and fought for in the NHS has been worth while. For me, supporting our health service in a way that makes me feel proud and delighted to rejoin it will be the true reward of having been in this House for 13 years.

7.41 pm

David Simpson (Upper Bann) (DUP): It is a privilege to follow the hon. Member for Crawley (Laura Moffatt). May I take this opportunity to wish her well when she leaves the House?

The last Budget statement in the life of this Parliament has been made and we have had the usual post-match analysis from politicians, pundits and experts. The general opinion seems to be that the Chancellor was playing for a draw and that the real match will be held after May, although it may be under new management—only time will tell.

With that in mind, and given the fact that we are now heading for a general election, I was not entirely surprised by the Chancellor's statement, although in fairness to him, he seemed to resist the temptation to indulge in pre-election giveaways—not that there was, perhaps, much left to give away. Also in fairness to him, he has inherited a legacy that few of us would envy. Ruth Sutherland, writing in *The Observer*, said that the Chancellor's predecessor

"presided over an increasingly unbalanced and indebted economy in which the City grew over-mighty and our industrial base shrank alarmingly".

It is little wonder that the Budget was high in rhetoric and low in substance.

Despite the Chancellor's efforts, I find myself surprisingly in agreement with the leader of the Liberal Democrats when he said that the Budget was more of an obituary than a manifesto. Indeed, the opening sentences of the Chancellor's statement set the tone of vagueness and ambiguity that permeates most of his Budget. Although I understand the reasons for this, I agree with my hon. Friend the Member for East Antrim (Sammy Wilson), who is also Minister of Finance and Personnel in the Northern Ireland Executive, when he expressed concern about the lack of detail on future spending plans and how the Chancellor intends to reduce the level of public sector borrowing in the coming years.

The Chancellor tells us that we are emerging from recession, and perhaps there are signs of that, but there is a wide variety of views on that—often, it has to be said, from those who did not foresee the recession in the first place. Even if we are emerging from the recession, however, we are among the last of the developed countries to do so.

The Chancellor says that borrowing is lower than forecast, but it is still worryingly high. We have heard many figures quoted in the debate. The deficit this year is 11.8 per cent. of gross domestic product; the Government have committed themselves to reducing it by half within four years, but that is based on growth figures that are open to challenge. Even if the deficit is halved by 2014—and it is a big if—the CBI and others have said that it will be too little, too late. Cutting the deficit appears to rely on spending cuts that remain vague and on extremely optimistic projections for the economy. The frightening level of the national debt must be tackled. Whoever occupies No. 10 and No. 11 after May will have some hard decisions to make.

One of the Chancellor's ideas on how to reduce borrowing is the encouragement of economic growth. He has rightly stressed that this is the key to genuine recovery. He has repeated the Government's commitment to finding new ways to enable small businesses to grow, to invest in and improve our national infrastructure and to promote research, innovation and enterprise. Those are good aims.

We should all do what we can to encourage the private sector and to reduce the public sector. We can help local British companies by reducing unnecessary red tape, as we heard earlier, and bureaucratic procurement procedures. I welcome the Chancellor's commitment to developing traditional and new infrastructure. We can help by bringing forward some capital projects for schools, hospitals and roads. That is what we have done to good effect in Northern Ireland.

I was encouraged by the fact that an extra £15 billion of Government contracts will go to SMEs. I was also encouraged by an announcement that entrepreneurs' relief from capital gains tax will be doubled to £2 million and taxed at 10 per cent. This will be welcomed by small businesses. I was further encouraged that the investment allowance for small firms will be doubled to £100,000. If British businesses are to compete, we must be at the cutting edge in energy supplies and digital communications, for example.

I fully agree with the Chancellor's statement that access to finance is vital for small businesses. I am encouraged that the Royal Bank of Scotland and Lloyds will provide a total of £94 million of new business loans, nearly 50 per cent. of which will go to smaller firms.

Dr. William McCrea (South Antrim) (DUP): Does my hon. Friend acknowledge, however, that while the banks will talk a good talk, the percentage costs to small businesses—or, in other words, the rates imposed on them—have been exorbitant, so that if we are to see the growth that he wants, the banks need to acknowledge the seriousness of the recession and the need to finance small and medium-sized enterprises?

David Simpson: I totally agree with my hon. Friend. I was just going on to say that we have all heard very distressing stories from business people in our constituencies who are in complete despair because of the attitude of banks. These constituents are solid, sound people, who have done business with the banks over many years and, in some cases, over generations, yet far from offering those people help at a time of need, the banks have put obstacles in their paths. That is totally unacceptable.

Businesses also need to be encouraged to invest in innovation and skills and to increase their levels of exports. We should do everything possible to reduce the burdens on business. We need to move away from the culture of bureaucracy and red tape, as these things stifle business, especially small businesses, which are the very backbone of the British economy.

Although I broadly welcome the small business and infrastructure initiatives in the Budget, I do not think that they go far enough to persuade the markets that we are on the road to recovery and at a fast enough speed. Because of the fragile state of our finances, coupled with the impact of the recession, I fear that there is little incentive for businesses to take risks of any sort. The Small Business Forum said that just 5 per cent. of its members believe the Chancellor's proposals will create an environment for their businesses to develop, while 87 per cent. have said that the Budget will not increase business or consumer confidence.

I am also concerned about unemployment. It is good that the recent national trend has shown a fall in numbers, but it seems likely that high levels of unemployment will be with us for some time to come. John Philpott, chief economic adviser of the Chartered Institute of Personnel and Development, has said:

"Although a fall in unemployment is clearly better than a rise, this should not be read as a sign that the UK jobs market is recovering strongly."

I agree with that and I fear that chronic unemployment could well be one of the long-term effects of the recession. High unemployment reduces tax receipts, increases public spending, reduces consumer confidence and depresses the housing market. We must therefore target resources towards the creation and development of a well and properly qualified work force.

Schools must give realistic career advice to pupils at an early stage of their secondary education. We churn out too many graduates in fields that often provide few opportunities in the workplace. This leaves many good young people unemployed or near-unemployable. There is an urgent need for those problems to be tackled.

Let me end by quoting the words of Miles Templeman, director general of the Institute of Directors. He said:

"It's the entrepreneurs and business leaders of the UK who will make economic recovery happen. But they need confidence—confidence in their businesses and confidence in the Government's economic policy. So it's deeply worrying that instead of boosting confidence, the Budget appears to have had the opposite effect."

7.50 pm

Mr. Richard Spring (West Suffolk) (Con): I have read that the origin of the word "swansong" is the myth of the mute swan which, as it approached death, expressed itself with an extraordinary outpouring of noise in a very evocative way. I can only hope, for the sake of those who are left in the Chamber this evening, that comparisons between that and my speech will be somewhat limited.

At some stage in their lives, all Members will have been asked why they entered politics. It is worth recalling what was happening in this country in the 1970s, when I started working. We were beset by terrible strikes, national bankruptcy and a massive brain drain, and I decided that I never wanted to see anything like that again. Sadly, however, as we heard in the Budget statement only last week, our economic situation is dire yet again. Strikes have returned, and our international reputation has been hugely diminished. The echo from an earlier time is there for all to hear.

It is true that in the current economic crisis—although too many may have given up—unemployment has not, on the face of it, risen as fast as might have been expected, although of course it remains too high. That is largely due to the flexible arrangements introduced by past Conservative Governments. Nevertheless, 54,000 people still leave the labour market each quarter. Far too often, the reason is that they have simply become discouraged. They have given up on the belief that they will ever find jobs, and have joined the legions who are already receiving the various worklessness benefits dispensed by the Government. Who can blame them, given that over the three months to January the ranks of those who had already been out of work for more than a full year had risen by more than 60,000, to 687,000?

It is truly incredible that, on top of all that, the Government are proposing yet another tax on jobs. The proposal to force employers and employees—including those on below-average incomes—to pay even more in national insurance contributions is a real economic and social misjudgment. We clearly have a jobs crisis on our hands, and the introduction of extra barriers to the creation of jobs makes no sense whatsoever. According to a report issued last week by Policy Exchange, the Treasury's own economic model suggests that a 2 per cent. rise in national insurance contributions could reduce GDP by a full 2 per cent. over three years. There is no point talking about job creation and then directly hitting the very businesses that could provide those jobs. That is simply crazy, and I therefore welcome the announcement made by my party this morning.

The statistics on start-ups and business failures reveal part of the reason why our trade balance is so bad despite our massive currency depreciation, and why manufacturing has shrunk so dramatically in Britain. Nothing in the Budget really addressed that, and, inevitably, the business community has universally reacted negatively to the Budget overall.

We have been in a recession on a "first in, last out" basis, according to any international comparison. Why has that happened, given that our fiscal stimulus has been smaller than those delivered in the American, French and German economies? Given that our actual budget deficit is so much larger than those of others, given that it costs so much more to insure our national debt, and given that people talk seriously about the threat to the sovereign credit rating of the United Kingdom, why would we not have been able to aid our economy as much as others even if we had chosen to do so? The reason is the Government's irresponsible spending at a time of strong worldwide growth.

Why was the British economy driven into such a weak state that it was impossible for the Government to take measures that might have helped it? The Bank of England has printed as much money as it dared. With Government spending rising to 53 per cent. of GDP and £200 billion from quantitative easing flowing into our economy, we have two new and unwelcome national records to add to a growing list, both of which reflect the rapidity with which we have descended into the present financial maelstrom. Can anyone imagine circumstances in which, in each of the next two financial years, the Chancellor will be borrowing more money than the entire income tax take, and all that borrowing will be based on highly optimistic growth assumptions and the assumption that the markets will continue to allow us to borrow at historically high levels?

All that was not enough to prevent the United Kingdom from suffering not only the worst recession in the G20, but the worst in living memory. The question that we must ask ourselves is "Why?" The true answer goes back to the year 2002, the year in which the then Chancellor of the Exchequer abandoned the prudent approach of the Administration who had preceded him and let rip. In the years that followed, the budget deficit did not fall below £30 billion annually. In the next five years, right in the middle of what the Governor of the Bank of England was calling the non-inflationary constant expansion or NICE decade, the Government borrowed £176 billion.

The total, irresponsibility of consistently leaving a gaping hole in the finances of the country broadly equal to the cost of the entire police and criminal justice system, in one of the most benign economic environments of all time, is the source of our present-day anguish. But then the Chancellor of the Exchequer had abolished the economic cycle, or so he absurdly said. The interest on the stock of debt that has built up is now £42 billion, £2 billion more than the entire defence budget, at a time when we are at war. The Institute for Fiscal Studies calculates that by 2014-15 debt interest payments will climb to £73.8 billion, equal to our defence and transport budgets. The proportion of debt interest payments on total tax revenues will be 10.6 per cent. at that stage.

Under the present Government, we have seen a growth in the divide between different parts of the United Kingdom. Because of a number of funding formula changes, my constituency has experienced a string of NHS budgetary crises. The simple truth is that NHS spend in the Prime Minister's constituency is materially higher than that in my constituency. There is no rational explanation for that, and it certainly has precious little to do with health outcomes. My constituents have a real sense that the spending differentials relating to public services have little to do with need, but plenty to do with the political colour of the area in question. Rural England has become the poor relation of this urban-obsessed Government.

The Government's overspending has resulted in a high cost to the British economy. We have fallen from 11th to 23rd in the league of corporation tax competitiveness. We have slipped from fourth to 84th in the World Economic Forum's global competitiveness report's rankings for the extent of tax burdens and evasion, and from fourth to 86th in its ranking for regulatory flexibility and efficiency of social programmes. That is part of the reason 1,440 private sector workers lost their jobs each and every day last year, while the number of state employees rose by 126 day in, day out.

The problem goes back to 1998, when the Government introduced the comprehensive spending review. It had been promised by the Prime Minister, but he has since abandoned it. We must ask ourselves why he was willing to continue the practice before the two previous elections but is unwilling to do so on this occasion, as a result of which specific spending impacts remain a mystery. In fact, the Government are so scared of spelling out to the nation the extent of the crisis—so terrified of admitting the true costs of a crisis of their creation—that they are determined to forgo a spending review, and we have had no honesty on the subject.

One of the by-products of the collapse of our reputation abroad is how financial services regulation proposals have arisen in Brussels. For all its imperfections, the City of London is still the jewel in the crown of Europe, in that the range and depth of its financial expertise—and all the ancillary services—are unmatched anywhere else, yet, through neglect and sheer incompetence, this Government have had to witness the growth of EU financial services regulatory proposals that are clearly not in our interest. It is clear that one of the main reasons for that is the catastrophic failure of our tripartite regulatory system.

When the financial crisis broke, the system that was in place was like an animal immobilised in fear by oncoming headlights. I have heard many times from those from other EU countries that Britain simply has no credibility or authority to determine European regulatory architecture because our own has been such a failure, and yet, incredibly, the Government have no plans to reform it. That matches their unwillingness to reform our public sector, where there is both a decline in productivity and a total unwillingness to reform the system.

Especially when reflecting on this Budget and the events that have led up to it, I leave the House on a bittersweet note. Despite the hugely negative view of Parliament and parliamentary colleagues, I for one—I know this sentiment is widely shared—regard it as a huge privilege to have been a Member of the House of Commons and to have represented my constituents in this place. Yet just as I commenced my working life at a time of economic collapse, sadly, I leave this place now with history repeating itself. However, just as before it took a Conservative Government to pull this country back from the abyss, I confidently predict that that will be the case again, some 30 years on.

8.2 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): It is interesting that I am following the hon. Member for West Suffolk (Mr. Spring) because, unlike him, I do not have a rosy picture of what I inherited when I first entered this House in 1997. I had worked as a head teacher for some 20 years, mostly under a Conservative Government, and every single year there was a cut in my budget—a cut in staffing and in the resources being spent on young people. Therefore, although I agree with many of the hon. Gentleman's comments, I certainly do not believe we should be taking lectures from somebody whose party almost brought the country to its knees before '97.

[Mr. Phil Willis]

It is a pleasure to be speaking for the last time in the House of Commons. It is a pleasure to do so not because I am leaving but because, despite all the difficulties, the last 13 years have been an absolute pleasure for me, as someone who came to the House as a 55-year-old—and who had the satisfaction of defeating Norman Lamont at the '97 election. I leave having retained the support of the people of Harrogate and Knaresborough for the last three general elections. That support has been remarkable.

It is interesting, too, that I should be leaving Parliament with my constituency having had very little support from this Government or, indeed, previous Governments. It is a place with a huge amount of residual self-support within it, and it is an entrepreneurial community that has bucked many trends, including the current recession, and long may it continue to do so.

My greatest pleasure in my time in this House has come from chairing the Select Committee on Science and Technology for the past five years, and I want to focus on the future of UK science and engineering. Before doing so, however, I want to pay tribute to the other members of my Committee who are standing down at the election and who have served the House extraordinarily well during their time here: the hon. Members for Bolton, South-East (Dr. Iddon), for Bristol, North-West (Dr. Naysmith), for Daventry (Mr. Boswell) and for Eccles (Ian Stewart). I should also, of course, pay tribute to Dr. Ian Gibson who, sadly, stood down before the end of the Parliament.

I was in the Chamber for today's opening speeches, and I listened to the hon. Member for Meriden (Mrs. Spelman) praising the fact that an incoming Conservative Government would reduce national insurance contributions, paying for that with efficiency savings. I found that interesting because I picked up the following quote from 19 May 2008:

"The Government 'efficiency drive' is one of the oldest tricks in the book. The trouble is, it's nearly always just that—a trick. In fact it's such a cliché, there was an episode of Yes Minister about it".

That was written by the right hon. Member for Witney (Mr. Cameron), yet now, of course, that is his party's policy.

It was interesting that the Chancellor said very little about science in his Budget speech. I welcome the Government's announcement of a green investment bank, as, I think, does the whole House. I also welcome the creation of technology and innovation centres, and the £25 million of investment they will bring, although it is rather curious that it is felt we need them when we have the Technology Strategy Board, which has been doing extraordinarily good work since it was set up.

The Chancellor stated that he wants to promote research, innovation and enterprise, yet it appears that the research part of that has been rather overlooked in favour of innovation and enterprise. It is all well and good to concentrate on translating our excellent research into commercial activity, but unless we have investment in the basic research itself, we will not have the raw material to develop the economy in the long term. We must guard against the nonsensical idea that fundamental and applied research are in somehow different silos. They are not; they are part of the same continuum, and if we do not invest in both of them, we will lose out.

Despite frequent references to innovation in the Budget, there was no reference to the science and innovation investment framework which, since 2004, has been one of the Government's most powerful measures in giving a long-term structure to science and innovation. Nor was there any reference to the Government's target of achieving expenditure on research of 2.5 per cent. of GDP. That seems to have been lost.

In reality, therefore, despite being committed to science and innovation driving the post-recession economy, the Chancellor mentioned that only once, and, tellingly, he spoke about science in the past tense. It was not about the future: the Chancellor told the House that the Government had increased investment in British science by some 88 per cent. in real terms over the past 10 years. That is true, and they should be congratulated: this Government's commitment to science has surpassed that of any previous Government in my lifetime. However, the reality is that that is now in the past tense.

This Budget should have been about the future, but sadly it was not. In respect of science and engineering, it appears that the job is done. The Government appear to accept that, at best, we have peaked in our efforts and that success is now to limit cuts rather than to make a case for future investment. Frankly, that is at odds with what the Government have been saying over previous years. In February last year, the Chancellor said in his Oxford Romanes lecture that

"the bottom line is that the downturn is no time to slow down our investment in science".

Yet that is exactly what we now seem to be doing. There is to be £600 million of cuts in science, research and higher education precisely at the time we need to be investing more. Lord Mandelson said last week that we have drawn a line in the sand in respect of protecting our science spend. Sadly, if the height of this nation's ambition is simply to draw a line and say that we are not going to increase spending in future, we will slip behind.

We should take a look at what our overseas competitors are doing in terms of investment. President Obama said:

"Science is more essential for our prosperity, our security, our health, our environment, and our quality of life than it has ever been before."

That was not just rhetoric, because he backed it up by pledging $21 billion of investment—the largest commitment to scientific research ever seen in the States—with 5.7 per cent. of the US federal research and development budget to be spent on science by 2011. In Australia, science spending has increased by 25 per cent. In the same week as the UK's pre-Budget report announced a £6 million cut, the French Government announced a fresh €35 billion investment in the knowledge economy and in the green economy, some €11 billion of which is to be allocated to the top French universities. Countries such as Singapore, China and India are all investing huge sums, but what did we do? The Prime Minister announced a £15 billion economic stimulus package, but £12.5 billion of it went on a 2.5 per cent. VAT cut for people to spend in the shops purely on retail. That was not an investment in the nation—one can imagine what that £12.5 billion could have done if it had been invested in our science base.

In reality, what science is delivering for this country is beyond reproach. The Royal Society produced its major report last week and it was tremendous reading. It

mentioned that over the past five years university spin-outs employed 14,000 people and had a turnover of £1.1 billion and that over the past decade university bioscience departments have generated more than 200 companies. Despite what the report says, without considerable investment in our science base the UK will face decades of slow economic decline. The report that my Committee published a week or so ago on the impact of cuts on the science budget concluded that a failure to increase investment in science is inconsistent with the Government's policy ambition of growth in the sector and undermines their previous good record.

The UK risks losing its brightest academics to countries with demonstrable guaranteed investment for the future, and we cannot allow that to happen. The Council for Science and Technology—the Prime Minister's own think tank—said:

"The first step is for Government to continue to prioritise research funding against other competing financial pressures".

Tonight, we have heard about lots of things being protected. The right hon. Member for Skipton and Ripon (Mr. Curry) was right to say that we cannot simply protect things for the sake of protecting them and that there must be a real long-term mission—science clearly can deliver that.

Science is not a stop-go activity: Honda and Ford can suddenly say that they will close their labs for three months because the money is not coming in, but science is not like that. We know that if we close our labs and stop investing, our brightest and best scientists will go elsewhere. Interestingly, the Royal Society's report said that it was people who actually make the difference. These scientists are the people we need to invest in, but sadly it appears that that will not happen.

The real opportunity, in response to this Budget, was for Her Majesty's Opposition to say what they would have done about science, but we did not hear a word from them. The hon. Member for Windsor (Adam Afriyie), who represents the Tories on science, said that there would be no extra investment until the current credit crisis was over and we had solved the current recession problems—that is 10 years down the line. If we wait 10 years for that sort of action, our science base will be lost. The Government have had a terrific record so far on investing in science and it is very sad that when the country needs them most, they have suddenly lost heart and failed to make that investment. Perhaps they will have a rethink if the Government are returned to office after the general election, but if anyone takes their place, I hope that they will put science at the heart of what they do.

8.14 pm

Mr. Andrew Turner (Isle of Wight) (Con): This Budget bears little relation to the times in which we live and comes from a Government who have run out of time altogether. After the deepest recession in generations, Governments, financial institutions and credit rating agencies around the world are reaching a new consensus that urgent action must be taken to reduce budget deficits. Only recently, the European Commission called for more information on how the Government would go about halving the deficit from 2011. Markets are crying out for the detail of how this will be achieved, and the British people are demanding to know that their children's futures will not be sacrificed under the burden of this Government's debt. Yet the Budget is utterly lacking in the action needed to reduce the deficit. The Chancellor was content simply to make projections, when he should have been detailing plans, and to talk vaguely about an end point instead of precisely focusing on how we will get there.

As such, this is a Budget of half measures, damaging delays and illusionary targets. Most worryingly, no effort was made to bridge the credibility gap. The director of the Institute of Directors noted:

"The chancellor's GDP forecasts are too optimistic and there is still no sign of a credible deficit reduction plan".

He went on to say that

"we need to hear a lot more from the government on debt reduction."

Roger Bootle, economic adviser to Deloitte, said:

"The Government has still put to put the flesh on the bones of its plans to cut spending".

Although the Chancellor has revised his figures, borrowing still stands at more than 10 times its 1997 level. I recognise that unprecedented action has been taken in the form of the fiscal stimulus, but the Government have ignored the unprecedented consequences in the form of drastically higher debt. Indeed, Britain's national debt will hit an unprecedented £1.3 trillion by 2014-15, which is more than double the level of just a year ago and amounts to more than £50,000 per household. If we do not quickly get a handle on this, our triple A credit rating will be downgraded, investors will lose confidence and the recovery will stall, if not worse. This situation will not just sort itself out, it will not just evaporate and it cannot be left for future Governments or future generations to sort it out; it is our moral duty to begin reducing the deficit now, and that requires action from the Government today.

In the absence of a plan, the main positive in the Budget is that things are not quite as bad as expected: our borrowing is £167 billion, rather than £178 billion; the interest on the debt is slightly lower than expected; and the structural debt is predicted to be 75 per cent. of GDP by 2013-14, rather than 78 per cent. But saying that the situation is "not quite as bad" is not the same as detailing how it will get better. One cannot give a Budget, let alone run an economy, on happenstance and fortunate recalculations alone.

Like the portrait of Dorian Gray, what beauty there is to this Budget is only skin deep. When we look below the surface, we see that the Chancellor utterly ducked making the tough decisions in the best interest of the country and instead chose to penalise the overwhelming majority of hard-working people. There is nothing stealthy about that. Although the Chancellor may coat it in the best intentions, it is plain that he chose tax hikes over public sector cuts. He made the wrong choice again on small businesses. When he should have cut the main rate of corporation tax, he instead chose to extend targeted tax relief for some businesses. That does very little to offset the £4.5 billion cost of the one penny rise in national insurance, which will be detrimental to all businesses. In the absence of any decisions on the deficit, the Chancellor took the wrong decisions on taxation.

Cutting the deficit and getting the economy growing are one of today's defining issues. No doubt in the coming weeks all parties will be publishing their plans

[Mr. Andrew Turner]

on how to reduce the deficit while promoting growth, but the Budget was the Government's unique opportunity to reassure the markets, secure the recovery and, most importantly, to help the British people. They have comprehensively failed in every respect. Indeed, it is nonsensical to expect the same Government who caused the problem on the one hand to offer an effective solution on the other. So, we need an alternative. If we do not get a grip now on tackling the continued implications of the economic crisis, it will be superseded by a social crisis that will make the recession look like small change. We must also give people greater opportunity to invest their own money rather than restricting financial freedom through the higher taxes that the Government are so keen on imposing.

8.21 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to take part in the Budget debate. Unlike a number of other hon. Members tonight, I hope that this will not be my valedictory speech, because I am standing at the election and intend to win. I intend to win on a slightly different programme from that on which other hon. Members are putting themselves forward.

I am grateful that normal politics have returned and we are at least having a debate on aspects of the economy and economic growth that have perhaps been avoided for too long. My take on this, of course, is that the Budget falls against the background of a difficult and steep decline in our economic fortunes. The recession is here. Numerically, we might be just about climbing out the other side, but anyone who thinks that we are there and can put the flags out is, I think, completely optimistic and naive.

I go around my local firms—people are always surprised when I say this, but Stroud is a centre of manufacturing and some 25 per cent. of our jobs are in that sector, which is much more than twice the national average and means that Stroud is as close to a valley town in the north-west as it is to the traditional south-west town, so I have some knowledge of manufacturing—and I would make three quick observations. First, the recovery is fragile and any attempt to jam on the brakes in terms of public spending has an impact on not only the public sector but the private sector. The two sectors are so inextricably linked that anything that effectively crunches the public sector will have a completely deleterious effect on the private sector. That matters, because the last thing that we want for those who work in both sectors is a rapid increase in unemployment. As we learned from the 1980s and 1990s, that is not a price worth paying. More particularly, it leads to a cost that we have to pay through unemployment benefit and all the benefits that go with that. That is, I hope, a lesson that the Government have learned.

Some of us take a position that it is wrong to cut, and it is certainly wrong to cut now and to cut some of the things that, sadly, the Front Benchers seem to be too intent on cutting in a race to the bottom. I have been struck by the words of Joseph Stiglitz and our own Danny Blanchflower—I tried to persuade my Government that he would be an excellent new representative of the Bank of England, because he has seen the recession both in terms of the causation and latterly in terms of what we need to do. I am aware that, as colleagues have mentioned, we have a budget deficit and that we have to do something about it, but some of the schemes end up cutting jobs in the public sector—the jobs of those who had no fault whatsoever in the financial collapse. Why should they be made to pay the consequences? Instead, we should be considering some of those vainglorious projects that Governments from my party and from other parties have too often seen as shibboleths but should be anything but. I offer Trident, ID cards, withdrawal from Iraq and Afghanistan as a starting point, if we are going to talk about budget deficit reduction.

As much as I want to see some aspects of public spending reduced, I still think that we overdo and completely exaggerate the impact of the public debt situation. According to all the figures, Britain will remain in the middle of the Group of Seven if we carry through some of the changes that are being mooted. As I have said, I approach the matter from a completely different perspective. I think the most fascinating figures of all, which form a backcloth to all this, are those that show that until the 1970s, we spent roughly 5 per cent. per annum on gross domestic capital investment in the public sector, which went down to 0.9 per cent. in the '80s and '90s and which this Government have brought back up to 3.9 per cent. If we include the private finance initiatives—I have my disagreements with them—the figure is substantially higher than that. I am proud of that. We have rebuilt schools and health facilities, and we have put money into the social infrastructure of our country. Why should we destroy all that because of other people's faults?

There is a way out of this recession. I make no apology for saying that I am an advocate of the green new deal. Let me make it very clear that that is not the Green party new deal, because many of the people who contributed to it are quite well-known Labour party people, as well as those of no party. Let me outline in the time that I have left some of the ways in which I think we can grow sensibly, sustainably and even morally out of the problems that we made for ourselves. Of course, I am talking about investment in energy efficiency and microgeneration, the creation of thousands of green jobs, a windfall tax on the profits of the oil and gas companies, developing financial incentives for green investment and reducing energy use and changes to the UK's financial system, including a new way in which we calculate interest rates to advantage green investment in particular. We need to reconsider how we have treated financial institutions. I think that the Government are right to step in and help, if not to take over a number of the financial institutions, but I am exceedingly wary of having a Dutch auction in getting rid of them.

Last but not least, there should be much more transparency in the way in which we demand financial reporting and a clamping down on tax havens. Of course, the one great cheer that came from the Government Benches when the Budget was announced was the announcement on what is now being called the "Belize gambit", whereby this Government, for the first time, have begun to get serious about tax evasion, tax avoidance, tax loopholes and tax havens. At face value, looking at the notion of tax information exchange agreements, we now have a sensible way forward. Sadly, there are problems with TIEAs. They are termed in a pretty amorphous way, and they are not easy to operate because it takes

two to tango and although the British Government might be willing to disclose certain information, that does not necessarily mean that those with whom we might wish to tango will give us the information that we want.

I hope that my right hon. Friend the Financial Secretary to the Treasury will say something about how we are going to raise billions of pounds from those who have made little or no contribution. It is about time that they made a proper contribution, but we need to clarify how TIEAs will function in practice. That will rely on issues to do with the identity of the person under investigation or examination; what information is sought; the tax purpose for which it is sought; the grounds for believing that the information requested is held within the jurisdiction of which a request is made; and—last but not least—to the extent known, the name and address of any person believed to be in possession of the requested information. So, it is a question of knowing who has the money and for what purpose, and then making sure that they are willing to disclose the true financial picture.

We are not talking about going into foreign jurisdictions. We are talking about people who, it is claimed, are either domiciled or, to some extent, resident in this country, but who exploit tax havens far too readily and easily. There is a history of TIEAs not working terribly well, so I hope that my right hon. Friend will give me some good news about how we will operate a much more robust and rigorous attempt to drive down what many of us feel are the worst excesses of capitalism, whereby people do not pay anything like the right rate of tax in this country, even though they derive many benefits from this country. This is about fairness, justice and the reality of the world today.

If my right hon. Friend wants any help, he will be pleased to know that I am presenting a Bill tomorrow—the tax and financial transparency Bill—that I hope the Government will take up. It looks very clearly at how they could take forward the measures that I have been talking about, and I hope that he will come and listen to me present the Bill tomorrow. It contains just the sort of thing that the Government are looking to find out about. It would release billions of pounds to the Exchequer from people who should be the most liable for the problems that they cause.

To conclude, I very much hope for a proper debate not only on the Budget, but on the way in which we have got ourselves into an unholy mess, because of the way in which the financial sector has behaved. Let me give an example to show how serious the situation is. Today, when I visited a company that will remain nameless, it was made clear to me that it was in a parlous state, but that it had managed to see things through because of its ingenuity. That made me think about how interrelationships with the financial markets impact on ordinary manufacturing companies in this country. Two things had really hit that company. First, it had invested heavily in Iceland, from which it learned the awful lesson that those who pay higher rates of interest are not necessarily able, ultimately, to defend what they are doing. The second thing was the way in which foreign banks have shut down loans virtually overnight. That is why lending through British banks—

Madam Deputy Speaker: Order. I am afraid that the hon. Gentleman's time is up.

8.33 pm

Mr. Philip Dunne (Ludlow) (Con): It is a pleasure to follow the hon. Member for Stroud (Mr. Drew), and it is a slight shame that he was cut short by Mr. Speaker's instruction, given the paucity of Members on his side of the Chamber who are willing to support the Minister in the debate.

Sir Patrick Cormack (South Staffordshire) (Con): Look at them all!

Mr. Dunne: I can count only one, including the hon. Member for Stroud.

Mr. Drew: There are not many on your side either.

Madam Deputy Speaker: Order.

Mr. Dunne: Thank you, Madam Deputy Speaker. I was going to say that it is a pleasure to participate in a debate in which so many of the Members who are retiring from the House have spoken. I am sure that the hon. Member for Stroud will not be voluntarily retiring. If he did so involuntarily, the House would lose one of its more regular attenders, especially of these end-of-evening sittings, which would be a disappointment.

I would like to raise a couple of macro-economic points before focusing on specific ways in which the Budget creates particular challenges for companies operating through the recession. First, however, I shall focus on the state of the economy. The hon. Member for Stroud was quite right to refer to the economic mess in which the country finds itself, but he and other Labour Members have not acknowledged that the financial services community's role in the cause of the original economic crisis now bears little relation to the state of the public finances. The financial services crisis of two years ago that resulted in the Government having to bail out the banks is now part of this country's economic history, but the structural deficit with which we have to deal, which will be the Government's legacy, has little direct relationship to that crisis. Although there are clearly indirect consequences, the structural deficit has ballooned under this Government, irrespective of the bail-out that funded the resurrection of the banks nearly two years ago. Labour Members do not acknowledge that fact, but it needs to be acknowledged so that we can recognise the measures that are required to start to bring the deficit down.

Throughout their Budget projections, the Government rely on their measure of economic growth, but I would like the House to consider the plausibility of their projection. The Treasury has a track record of forecasting economic growth that any schoolboy economist would find somewhat embarrassing. It has rarely, if ever, got it right, and it has tended to veer on the side of optimism in each Budget presentation that I have heard while I have been a Member—last week's was no exception. The Chancellor admitted that economic growth was likely to come down, but only by 0.25 per cent. The reduction was from 3.5 per cent. to somewhere between 3 and 3.5 per cent., so if we are charitable and take the average, it looks like a reduction to 3.25 per cent. However, that projection remains above all external forecasts, or the average of them, and above the forecasts for all other major industrialised economies. It is also

[Mr. Dunne]

substantially above this country's trend growth during the Government's tenure in charge of the economy, and above trend growth for the 31-year period of this Government and their predecessor. It is surprising that the Government base the largest component of their recovery programme on an estimated increase in this country's activity for the next four years, and specifically for the coming year, that is significantly above their track record and what other forecasters think is likely.

I am not trying to talk down the strength of the economy and I would, of course, like the economy to grow and rebound rapidly. I merely question the validity of the Government's forecasting methodology, which has also been questioned by the National Audit Office in its review of the figures.

The Financial Secretary to the Treasury (Mr. Stephen Timms): Will the hon. Gentleman reflect on the fact that although our forecast in last year's Budget for the coming financial year was criticised in much the terms that he is using today, pretty much everyone now agrees that last year's forecast of 1 to 1.5 per cent. in the coming financial year will be right?

Mr. Dunne: We will have to see, will we not? That is another forecast. I concede that the Treasury has had the benefit of a slight upgrade to the figures for the last quarter of 2009 but, looking forward, I would not like to place much confidence in what it is saying.

The situation raises questions whether the public debt will come down in the manner that the Government anticipate. We are looking at £167 billion of debt in the current year. That is a very difficult figure for ordinary people—and Members of the House—to get their minds around. It means, if my maths is correct, that the Government are borrowing £317,723 per minute of every day and every night this year. That figure is substantially greater than the average price of a home in this country, and when I give that figure on the doorsteps in my constituency, people find it quite astonishing that we could be borrowing at that level. Of course, it is completely unsustainable and that borrowing must come down.

The Government have come up with very few plans to get that debt under control. That will wait until we have had a general election. Whichever party is in power thereafter will have to take the tough decisions that are necessary if we are to get a grip on the public debt and get the economy moving once more.

The two specific points that I wish to make relate to Budget proposals where the Government have been short on detail, and which they have not described with enough frankness. The first has to do with the freezing of personal income tax allowances. In his Budget speech, the Chancellor did not make a single mention of the measure that will affect more people than any other—freezing personal allowances at £6,475. Some 30 million people will be affected by that. With inflation having hit the somewhat giddy and unedifying heights of 3.7 per cent., there is direct erosion on the value of real, take-home pay for those in work. For all those taxpayers, freezing personal allowances will have a significant impact on their disposable income, yet the measure was not mentioned by the Chancellor.

There was another matter that the Chancellor failed to mention. When referring to fuel duty increases, he said with some pleasure that he would defer the escalator for this coming year, so that the rises will be made in three, equal tranches, and said also that he was therefore reducing the increase scheduled for April to 1p per litre. What he did not disclose is that he will increase duty in April not only by the equivalent of 1p through the escalator, but by a further 1.35p through the elimination of the biofuels duty rebate. When the VAT element is included, that means that petrol prices will go up by a further 2.35 per cent. from the beginning of next week. That, of course, will affect every motorist—all those who rely on vehicles to drive themselves around. As the costs of motoring go up, there will be knock-on effects throughout the economy on the delivery of goods and on commerce. That was more sleight of hand from the Chancellor, and it was regrettable.

The reason why I focus on fuel is the fact that, as my hon. Friend the Member for Meriden (Mrs. Spelman) said, since the Government introduced the business rates revaluation, I have been campaigning actively to try to correct some of the anomalies that are clearly apparent in the revaluation methodology that the Government have used—anomalies that they have sought to blame on the assiduity of the Valuation Office Agency. In particular, I have been looking at the retail of petrol at filling stations. One third of the 9,000-odd forecourts trading in this country face an increase in their business rateable value of more than 50 per cent., and 1,500 of them are looking at their rateable values at least doubling. Many of them will face the prospect of ceasing to sell fuel when the increases come through in full, because that will be the logical thing for them to do, economically. Most of them operate with very low margins on the sale of their fuel.

The Government seem to think that because fuel stems from oil and the oil industry is making significant profits, that must flow through the vertical chain and down to the petrol pump. However, I must tell the Ministers present, as I have told other Ministers on the Treasury Bench, that such thinking betrays a lack of understanding of how that market works. As a result, the VOA itself is telling fuel station operators in my constituency that it would be in their economic interest to cease selling fuel, because if they do so the rateable value of the convenience store on their filling station site will then be calculated on the same basis as other retail premises—that is, on the square footage that they occupy, rather than on their turnover. Some operators would see a tenfold reduction in their rates bills.

That increase by the VOA is completely unjustifiable, and I urge Ministers at this very late stage—bills are being sent out with effect from 1 April—to rethink the measure and review the methodology. I also urge that on my Front-Bench colleagues, and I am hopeful that a new Government will look favourably on it. We have already heard my hon. Friend the Member for Meriden say that we intend to review the revaluation, and I hope that such a rethink will take place as a consequence of that review.

While I am on business rates revaluations, I cannot finish without bemoaning the fact that many pubs in rural constituencies face colossal increases. The Boyne Arms in my constituency is looking at an almost fivefold

increase—from £4,000 to £19,000, with no change in circumstances other than that flawed revaluation methodology.

8.46 pm

Christopher Fraser (South-West Norfolk) (Con): It is a great pleasure to follow my hon. Friend the Member for Ludlow (Mr. Dunne), who is an assiduous scrutineer of Government policy.

More needs to be done to help the millions of families throughout the country. Under this Government, the gap between rich and poor has increased, and social mobility has decreased. Never before have so many young people faced what can only be described as a bleak future—carrying the burden of the national debt, failing academic standards, increased demand for higher education places and a job market that causes only despair.

Thousands of families cannot afford child care. In a YouGov survey, 28 per cent. of parents with children under 18 and a net income of under £15,000 said that they had been unable to get a job or continue with an existing job because the cost of child care was too great. The Government herald each opening of a Sure Start centre—which, incidentally, the Opposition fully support, contrary to what is sometimes reported in this place—but, as Ofsted says, half of all Sure Start centres are not reaching out to the most vulnerable families.

Conservatives support Sure Start children's centres and believe that they will play a crucial role in making Britain one of the most family-friendly countries in Europe. Child care is deteriorating in poorer areas, however. In Britain's poorest neighbourhoods, the proportion of nurseries that inspectors judge inadequate increased by more than one quarter in 2008, from 8.5 to 10.8 per cent.

Why is so little being done to help those who need it most? We have already announced how a Conservative Government will strengthen Sure Start through a universal Sure Start health visitor service, which will be funded with money from health and from extra money that the Government have already set aside to strengthen outreach work to vulnerable families. The UK has more broken homes than almost anywhere in Europe, by far the highest proportion of lone parents in Europe and one of the highest rates of family breakdown.

We have also become a country that penalises people who want to stay together and provide a loving and stable environment for their children. Of course we must help single parents, who undoubtedly have one of the toughest jobs in the world, particularly given that many are alone through no decision or fault of their own, but that should not be at the expense of, or instead of, married couples or cohabiting couples. A Conservative Government will recognise marriage in the tax system. Taxes and benefits should encourage families to stay together, unlike the current system, which encourages couples to live apart.

We would also help parents by introducing flexible working for all parents with children under 18. That would be achieved via secondary legislation so as not to overburden businesses with more complex regulation. Flexible working means not only flexible or part-time hours, but a raft of ways to improve the work-life balance of parents, including compressed hours, flexitime, term-time working, working from home, job-sharing or changes to shift patterns or work location. We must ensure that parents are available to drop off and collect their children from school if they wish—an essential choice that they should have.

More should be done to help grandparents, who, in today's society, are taking on a greater role. They are often the unpaid childminder, cook or taxi driver, being the only available resource left for parents who cannot find affordable child care. There are also the hundreds of thousands of people who act as carers, without whom the state and the NHS could not cope. The Conservative party has already announced several measures in support of carers that we will implement when we reach government. First, we shall ensure that every person who cares for someone else has the right to request flexible working so that they can manage their career and caring responsibilities in the best way possible. We have also outlined our plans to encourage regular, planned respite care. We will ensure that everyone who wishes to have an individual budget and direct payments can do so to ensure that they can get the support and assistance that they need and want instead of being forced to fit around the provision of the local authority.

Thirteen years ago, this Government were elected on the promise, "Education, education, education". Thirteen years on, more than 50 per cent. of pupils are still not obtaining five good GCSEs including English and maths. Given that those pupils have only ever been educated under a Labour Government, will the Government accept that their policies have failed, and that head teachers and teachers must be given the trust and freedom to raise standards? This year's key stage 2 results were the clearest indication yet that the Government's policies for primary education have not only stalled but failed. Only 61 per cent. of pupils managed to reach the required standard in their key stage 2 tests in English, maths and reading, and 39 per cent. of pupils could not pass all three subjects to an adequate level.

Only in the past week, figures have been published showing that truancy has risen by an incredible 44 per cent. since 1997, despite the Government's having spent more than £1 billion on combating it. One child in 10 misses at least four weeks' school a year. Pupils on free school meals are three times as likely to be persistent truants, and truancy is six times higher in poor areas than rich. It is essential that we address the underlying causes of that. The Conservative party is committed to improving behaviour in schools and giving teachers the powers that they need to deal with disruptive pupils. We also need schools to insist on enforceable home-school contracts so that parents play their part in ensuring that their children go to school.

It is so important for the health and the future of this country that we support the family unit. As you know, Madam Deputy Speaker, I have taken a decision to put my family before my career. This has been a very difficult and painful couple of years for my wife and her health issues. It has put enormous pressure on my family, my children and me. At this time, they need my love and support, and I have decided not to stand at the next election.

It has been a privilege and an honour to serve the people of South-West Norfolk in the House. I thank you, Madam Deputy Speaker, and your office for the faith that you put in me to serve on the Chairmen's

[Christopher Fraser]

Panel. I would also like to thank my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack), under whom I serve on the Northern Ireland Affairs Committee. Finally, I would like to say to my colleagues from across the House a heartfelt thanks for the encouragement and support that they have given me, and the messages of good will and well-being for my wife that they have sent.

I would also like to put on record my gratitude for the work that the staff of the House do to serve us in this Chamber. Without them, this place would not function. Without us debating difficult issues involving our priorities, be it in a Budget debate or any other debate, this country would not function properly either. At a very difficult time for me and for any other Member of Parliament who is leaving, I would like to put on record my gratitude for the time I have spent here, and I thank you.

8.55 pm

Mr. Greg Hands (Hammersmith and Fulham) (Con): This has been a very fine debate, and possibly the best Budget Monday debate for some time, not least because of the number of final speeches from many retiring Members who, in most cases, have been here many more years than I.

On the subject of final speeches, the hon. Member for Taunton (Mr. Browne) made no mention of where his leader's "savage cuts" would come from. We agree with the hon. Gentleman's comments on cider, but it is unfortunate that last year he called for a freeze in duty on spirits but not on cider. Indeed, he said in last year's debate, undermining his own case:

> "Cider is not as widely drunk in my constituency as it once was".—[*Official Report*, 12 May 2009; Vol. 492, c. 778.]

The Conservatives strongly support cider making in this country, and we oppose the RPI plus 10 per cent. rise in duty across the board.

Mr. Soames: Will my hon. Friend acknowledge the admirable work done by our hon. Friend the Member for Uxbridge (Mr. Randall), who is also a staunch supporter of the cider business?

Mr. Hands: I certainly will, and I thank my hon. Friend for the intervention. I also acknowledge the work of my hon. Friend the Member for Leominster (Bill Wiggin), who made some very strong points about cider at Environment, Food and Rural Affairs questions last Thursday. The voice from across the Conservative party has been unanimous in condemning the rise in duty. We should target strong, mass-produced products that, as they have such a low apple content, are barely cider at all. That is the Conservative approach.

The right hon. Member for Sheffield, Central (Mr. Caborn) also made his final speech. I rather enjoyed our debate on "Newsnight" last Monday about the role of the Unite trade union in taking over the Labour party. I found it interesting at the time that he failed to support the British Airways workers going to their jobs. I was in his constituency on Friday, as he knows—I will come to that in due course—and I have to say that the Federation of Small Businesses in Sheffield takes a very different view of the Budget from the one that he described today.

My right hon. and learned Friend the Member for Devizes (Mr. Ancram) made a lovely speech. He reminded us that he has represented three seats. I wonder whether he had the opportunity to make three maiden speeches. It is our loss that he only has the opportunity to make one farewell speech. He appropriately spoke of the responsibility that we all have through the generations, and in this case about the Government's appalling debt crisis and the moral imperative for us to find a solution.

The right hon. Member for Barrow and Furness (Mr. Hutton) is another Labour ex-Minister with whom I enjoyed a debate recently, at the *Financial Times* election forum. Tonight he gave a thoughtful speech that confirmed the very good reputation that he has had in the House. I agree with him that we are not a post-industrial society. In fact, to return to Sheffield for a moment, I made a very important visit on Friday to ITM Power, which is making zero-carbon, hydrogen-powered cars and was very impressive. The right hon. Gentleman, as is his wont, attacked the Government, in this case for their proposal for a credit adjudicator and the new 50 per cent. tax rate, as he did last year, to be fair to him. We wish him the best and hope that he has a double reason to celebrate on 6 May. Not only is it his birthday, but I believe he will celebrate and cherish the fact that it will be the last day of the current Prime Minister being in office. He was absolutely right when he said that the right hon. Member for Kirkcaldy and Cowdenbeath (Mr. Brown) would be an awful Prime Minister.

My right hon. Friend the Member for Skipton and Ripon (Mr. Curry), who is also retiring, made an elegant speech, which covered many broad intergenerational themes, including our role in the world. The hon. Member for Tyne Bridge (Mr. Clelland) is standing down too, and he called the Budget "unexciting". Perhaps he meant it as a compliment, but, as a do-nothing Budget, it is not what the country needs. However, he spoke well in support of our policy on high-speed rail and made some important points about the value of clubs and charges, with reference to amusement machine licence duty.

My hon. Friend the Member for Stratford-on-Avon (Mr. Maples), who is also standing down, spoke appropriately about our responsibility to the next generation on debt. He spoke powerfully about facing up to the implications of debt unless we get a grip on our public finances, and the need to boost business and improve skills in the work force. He made important points about improving ethics in the City.

The hon. Member for Nottingham, South (Alan Simpson) mentioned his support for the Tobin tax, which was the Government's position until the Obama Administration told the Prime Minister that it would definitely not go ahead. Instead, the Conservative party is in line with the US Administration in calling for a banking levy on leverage. In my short five years here, I have always found the hon. Gentleman to be a first-class parliamentarian and I wish him all the very best.

The right hon. Member for Ross, Skye and Lochaber (Mr. Kennedy) made some important points on behalf of his constituents. He talked about his support for Government spending, but left me wondering what he thinks of his successor's pledge to make "savage cuts".

The hon. Member for Sheffield, Attercliffe (Mr. Betts) argued for high-tech value-added business in his constituency and praised the green investment bank, which was again a policy that the Conservative party first proposed.

My hon. Friend the Member for Mid-Sussex (Mr. Soames) made a characteristically powerful speech, describing a disastrous Government. I entirely agree. The hon. Member for Crawley (Laura Moffatt), who is also standing down, gave a characteristically loyalist speech, but I wish her all the best in her future career. The hon. Member for Upper Bann (David Simpson) gave various warnings about what would happen if we did not get policy on the economy right.

My hon. Friend the Member for West Suffolk (Mr. Spring) talked about the noble reasons for his entering politics in the 1970s and his regrets that, thanks to the Government, we seem to have come full circle on many matters. I think he said that history is repeating itself. He rightly attacked the Government's tax on jobs through the big increases in national insurance and highlighted the work of Policy Exchange on the severe negative impact that the tax rise would have on growth. We will miss him greatly. He has been an invaluable help to our shadow Treasury team and I wish him all the very best for the future.

The hon. Member for Harrogate and Knaresborough (Mr. Willis) also gave a final speech. He spoke well of the future of UK science and engineering and the importance of innovation. He said that the Budget provided little cheer. It is unfortunate for him that he will find it difficult to square his rhetoric with his leader's pledge on savage cuts.

I am sure that the contribution of my hon. Friend the Member for Isle of Wight (Mr. Turner) will not be a final speech. He spoke well about our moral duty to decrease the debt and said that we cannot leave it to the people who got us into the crisis to get us out. The hon. Member for Stroud (Mr. Drew) claimed that he was standing on a different programme for the election from that of the Government, but I feel that his fate will nevertheless probably be the same.

My hon. Friend the Member for Ludlow (Mr. Dunne) made some important points about growth and the Government's optimism, to which I will revert in due course, and also attacked the deficit and the cynical failure to spell out the consequences of freezing personal allowances and other Labour subterfuges, including the impact on petrol retailers. My hon. Friend the Member for South-West Norfolk (Christopher Fraser) spoke strongly about the need to take measures to strengthen the family. We wish him all the best in his future career and send best wishes to his wife, too.

I hope that this is not the last occasion on which I will address the House, although it will probably be the last time I speak as the Member for Hammersmith rather than the Member for Fulham. I am proud to have served as the first Conservative Member of Parliament for Hammersmith since 1966, and I greatly hope that Shaun Bailey will succeed me in that part of the constituency. He will be the first Conservative Member of Parliament for Shepherd's Bush since Sir William Bull in 1918, and I shall return to Sir William later.

First, I want to consider gold. When debating the last Labour Budget, we should examine the Labour Government's overall record under the right hon. Member for Kirkcaldy and Cowdenbeath in the past 13 years. I was fascinated by the end-of-the-year investment review of the decade in *The Sunday Times*, which was published just before Christmas. The review featured the best and worst-performing investments in the past decade—that is, since 2000. It showed that the best-performing asset class was gold, and that the worst-performing shares in the same period were Royal Bank of Scotland shares. Whatever our Prime Minister intends to do after he is given the heave-ho, let us hope that he has no intention of becoming a fund manager. The Prime Minister told last year's Labour party conference that the test of a Government is the quality of their judgment, but on gold and their economic record in general, their judgment has been calamitous.

It is worth dwelling for a moment on the subject of gold, as my hon. Friend the Member for Mid-Sussex did, because the Prime Minister says that he has made the right calls throughout. We have noted that he is resisting freedom of information demands, and many of us know why. In May 1999, he first signalled to the market that he would sell 400 tonnes of gold at a 20-year low in the price. That is never a good time either to telegraph a big sale or to sell, and that became known as the Brown bottom. The Prime Minister sold off Britain's gold for between $256 and $296 an ounce, raising around $3.5 billion. Since that time, the price has almost quadrupled, despite low inflation, and the total loss to the economy is independently reckoned to be a staggering $6 billion. That was the Prime Minister's version of black Wednesday. Unlike 1992, it was not partly driven by the force of circumstance; it was a decision taken by our Prime Minister entirely of his own volition and entirely at his own choice of time.

I mentioned that the Budget has gone down very badly in my constituency, but to get a wider cross-section of views, on Thursday and Friday, I went to Leeds, Morley and Sheffield in Yorkshire. Judging by the mood at the Leeds chamber of commerce and the Sheffield Federation of Small Businesses, the Budget went down very badly there too. The mood in Morley, where the Secretary of State for Children, Schools and Families will be a candidate, was particularly hostile. Our candidate Antony Calvert and I launched our document, "Getting Morley Moving", which went down very well in Morley high street and Morley market.

Of course, the Budget is all about debt. Remarkably, Labour has embarked on a strategy designed deliberately to increase our debt. At Prime Minister's questions in December 2008, at the outset of this crisis, we were told that

"we need debt to rise, we do not resile from that." [*Official Report*, 17 December 2008; Vol. 485, c. 1096.]

As we know, Labour has already doubled the debt and will double it again. Remarkably, in this Budget, the Chancellor presented as a triumph the reduction in the forecast borrowing from £178 billion to £167 billion. At that point, he rather reminded me of a football manager who praises the quality of his team's consolation goal after they receive a 5-1 drubbing.

As various of my hon. Friends have pointed out, the amount of debt this year—£167 billion—is more than the Treasury raises in income tax. Borrowing is almost £500 million a day, and in the 15 minutes of my speech, the Government will have borrowed another £4 million, which is more than most people could ever dream of

[Mr. Hands]

earning in their lifetime. As important as the new debt is the amount that we are paying as a country in interest on existing debt, which someone mentioned. This year, at £43 billion, debt interest will overtake the defence budget, and next year it will overtake the schools budget.

The figures on debt interest are grim, but the main risks—remarkably—are on the downside. There are two main risks. First, there is an assumption that interest rates will remain low. Most figures for debt interest in 2014 assume an average interest rate on that debt of 4.4 per cent. I hope that interest rates will remain low, and that is a big priority for an incoming Conservative Government, but clearly, the risk is that interest's rates might rise, not fall. Secondly, there is an assumption that growth will be strong. As my hon. Friend the Member for Ludlow pointed out, despite a small downgrade in the growth forecast in 2011, the Government are still forecasting growth of between 3 and 3.5 per cent., but independent forecasts are for 2.1 per cent. The Treasury forecasts growth rates of 3.25 to 3.75 per cent. in all years thereafter, but again, the risk is that we will undershoot that—there is not much chance that we will overshoot it. Lower growth feeds through to a bigger deficit, which in turn leads to more debt interest. We have to take urgent action to prevent this perfect storm of high debt, high interest payments, downwards pressure on our currency, low growth and static or worsening employment from happening.

On Thursday, *The Sun* said that this Budget and the Chancellor could be summed up in four words, "spend now, pay later"—only he is spending now, and you will pay later. Budget day was a real throwback to the 1970s, not just with the size of the borrowing and a Government seemingly crying, "Crisis, what crisis?", but with picket lines outside the Treasury and this very Parliament. There is better news for the country—I can report a return tonight to double digit poll leads for the Conservatives, just as happened in 1979.

I conclude by returning to the subject of my predecessor as Member of Parliament for Hammersmith, Sir William Bull. He was once suspended from the House for calling the Prime Minister a traitor. I do not intend to make the same comment today, but I will say that with the Government borrowing £500 million a day—and borrowing more this year and next than all other Governments in history combined—and given how Labour has run the whole economy into the ground, it is the whole Government who have betrayed our country.

9.11 pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): We have had a good debate, on the whole, on crucial matters for the economy. We have come through the most severe and synchronised downturn since the great depression. Thanks to the action that the Government have taken, the damage suffered in the UK has been a great deal less than we suffered in previous recessions and were expected to suffer in this one. Now the world economy is returning to growth. We are in the early stages of recovery, but as we can see by looking around Europe, the recovery is still fragile. Germany returned to growth in one quarter and then went flat the quarter after that. Italy returned to growth, but went back into negative growth the following quarter. Spain is still to come out of recession.

As we forecast, the UK economy returned to growth at the end of last year, but the remaining uncertainties underline the need for support for the economy to continue until the recovery is secure. When we reduce our borrowing—as we must—we need to safeguard the front-line services on which people depend. We must ensure that future industries can grow, and promote innovation to provide opportunities and skilled jobs. In that way, we can secure strong and sustainable growth in the future.

Throughout the crisis, the Government have acted to support the economy, families and businesses. Several hon. Members referred to the tremendously successful time to pay scheme, which has given more than 200,000 businesses more time to pay more than £5.2 billion in tax so far. That success has convinced us to continue to offer that scheme to viable businesses having difficulty in meeting their tax obligations, at least through the next Parliament. Some £900 million of support has been delivered to almost 9,000 small and medium-sized enterprises through the enterprise finance guarantee. The small companies' rate of corporation tax will remain at 21 per cent. for the coming year.

We can see the difference that all this support has made. Unemployment reached not 3 million but 1.6 million—and it has come down in the last few months. Home repossessions are much lower than in the 1990s recession, and much lower than was projected at the beginning of last year. The rate of company liquidations has been a third of what it was in the 1990s recession.

John Hemming (Birmingham, Yardley) (LD): On the question of unemployment falling, I presume that the Minister means on the claimant count basis. Constituents of mine have expressed concern that if one half of a married couple is in work but the other is unemployed, the latter falls off the claimant count after six months but is still unemployed.

Mr. Timms: A lot of things have happened that have ensured that the claimant count has not reached the levels of the past. Part of that is undoubtedly because of flexibility—people being willing to reduce their hours—and that has been supported to a significant extent by the tax credits system, which has ensured offsetting payments if income is reduced. The incomes of some 400,000 families have been increased through tax credits to offset a reduction in earned income. The hon. Gentleman makes a fair point about the operation of the means-tested system, which has been in place for a long time, but however we look at it, it is undoubtedly the case that, in employment terms, the damage from the recession that we have been through has been a great deal less than that from the recessions of the 1980s and the 1990s.

Christopher Fraser: Will the right hon. Gentleman give way?

Mr. Timms: I will give way, but then I need to make some headway.

Christopher Fraser: Does the right hon. Gentleman accept that long-term unemployment has gone up, as has youth unemployment?

Mr. Timms: No. Actually, we have been successful in avoiding the big increase in long-term unemployment that was such a damaging feature in the 1980s and the

1990s. The hon. Gentleman is right to draw attention to concerns about youth unemployment, which is why we offered the six-month guarantee for 18 to 24-year olds, which we extended in the Budget for a further year.

The hon. Member for Taunton (Mr. Browne) spoke on behalf of the Liberal Democrats. Let me make a couple of points about cider duty, which is of course significantly less than duty on other alcoholic drinks. The two largest companies produce some 80 per cent. of cider in the UK; indeed, I noticed that the share price of one of them went up on Budget day. The majority of cider producers—some 400 smaller producers, producing less than 70 hectolitres—will not be affected at all. The duty rise was concentrated on the strongest industrial ciders—the hon. Member for Hammersmith and Fulham (Mr. Hands) mentioned them—which are those with the lowest apple content, such as Frosty Jack's and Diamond White, with which there has been a link with disorderly behaviour, as we all know.

I take issue with one point that the hon. Member for Taunton made. Referring to the child trust fund, he said that having a pot of money does not have an impact on life chances. He is quite wrong about that: in fact, it is the case—there is clear evidence to show this—that having a sum of money as one enters adulthood can make a big impact for the better on life chances. The child trust fund delivers that in an important way.

Mr. Hands: I thank the Minister for giving way; he has plenty of time. Let me take him back to cider. He mentioned two brands of high-strength, industrial-type cider, which he pledges action on, but why has he raised the duty for all ciders by 10 per cent.?

Mr. Timms: To address the anomaly that was the previous differential in the duty. However, as I have said, there is a continuing advantage for cider producers in the system as amended.

My right hon. Friend the Member for Sheffield, Central (Mr. Caborn) rightly welcomed the Budget's impact on manufacturing. I have also visited the Advanced Manufacturing Park, to which he referred, and I have seen the work of Boeing and others that are based there. I join him in paying tribute to the work that Professor Keith Ridgway has done and welcome the announcement of the investment at Sheffield Forgemasters, with the establishment of perhaps the biggest press in the world. He is right to say that we in the UK want to be at the forefront of the global nuclear supply chain.

The right hon. and learned Member for Devizes (Mr. Ancram) also gave a thoughtful valedictory speech, the theme of which was stewardship, and demanded that the deficit be cut more quickly than we have proposed. He was followed by two speakers with whom I have worked closely. My right hon. Friend the Member for Barrow and Furness (Mr. Hutton) welcomed the measures for business in the Budget, pointing out that the Conservative arithmetic does not add up, particularly following today's announcements about national insurance reductions. He did a superb job as Secretary of State for Work and Pensions, and as Secretary of State for Business, Enterprise and Regulatory Reform.

I first met the right hon. Member for Skipton and Ripon (Mr. Curry) when I was a local authority leader and he was the Local Government Minister, and I was struck by the tributes that were paid to his work on behalf of local government by two of my hon. Friends today: my hon. Friends the Members for Sheffield, Attercliffe (Mr. Betts) and for Tyne Bridge (Mr. Clelland). Those tributes reflect the wide respect for the right hon. Gentleman's work as the Local Government Minister. It was characteristic that he spoke about local government today, as well as expressing a view on policy on Europe that was somewhat dissonant from that of some of his hon. Friends.

My hon. Friend the Member for Tyne Bridge drew attention to the dramatic regeneration that is under way in the north-east, including the announcement of the new electric car being built at Nissan and today's announcement by Siemens of a big investment in offshore wind manufacture in the UK. He was right to draw our attention to those achievements.

The hon. Member for Stratford-on-Avon (Mr. Maples) called for the deficit to be eliminated faster, but it was striking that he did not answer the question put to him in an intervention by the hon. Member for Taunton about how that would square with today's announcement from the shadow Front-Bench team of an almost £6 billion reduction in national insurance income to the Exchequer. That would leave a gaping hole in the Conservative party's calculations.

My hon. Friend the Member for Nottingham, South (Alan Simpson) supported the proposals for separating the different functions of the banks—as, to a degree, did the hon. Member for Stratford-on-Avon. My hon. Friend wanted to see greater ambition in the proposals for a green investment bank. I know he will welcome the imminent commencement of the feed-in tariff arrangements for renewable energy. I pay tribute to him for being one of the first in the House to have called for that change. His campaign was successful, and he was an early champion of those arrangements, which will take effect in the next couple of weeks. I echo the tributes that have been paid to him today.

The right hon. Member for Ross, Skye and Lochaber (Mr. Kennedy) made a number of points about his constituency. I particularly agree with what he said about the importance of investment in broadband. The Government's commitment is, first, to ensure that at least a basic level—2 megabits per second—of broadband service is universally available by 2012. I expect his constituency to be among the major beneficiaries of that investment, and we have identified some £200 million to support that commitment. Beyond that, we want to extend next-generation broadband services to every part of the UK. That is the reason for the 50p a month levy on phone lines, which I think he supports. He is right to do so, because that levy will generate £1 billion of investment between now and 2017, enabling us to ensure that at least 90 per cent. of UK households have access to next-generation services by that date. It struck me forcefully when I visited Scotland how strong the support for that programme was. There is widespread recognition of its importance to the rural businesses in Scotland—and, indeed, in England—that will benefit from its services, just as urban areas are already starting to do.

Mr. Charles Kennedy: I am grateful to the Minister for returning to my point about broadband. He mentioned his recent visit to Scotland, and he is quite right to say that there is a great deal of enthusiasm for broadband there, for all the obvious reasons. I do not want to get

[Mr. Charles Kennedy]

into partisan point scoring, but has he found that his relationship with the Scottish Government in Edinburgh is constructive on this matter, or are they occasionally using this as an excuse to blame Westminster? Are they being co-operative and collaborative in pushing this issue forward?

Mr. Timms: Broadly, I think they are. I must say that my disappointment is with the Conservative party, which professes to support rural areas but does not will the means to do so. The levy will allow us to achieve that.

I enjoyed the speech made by my hon. Friend the Member for Sheffield, Attercliffe who drew attention to investment in Sheffield Forgemasters and in Siemens. I am grateful to my hon. Friend for his point about Government support for the computer games industry. We announced a new tax relief for computer games companies, recognising the inherent strengths and creativity of UK developers, while also recognising the impact of subsidies given to firms in Canada and elsewhere. I visited Abertay university in Dundee recently. In order to illustrate one aspect of the commercial significance of its work, I was shown how visualisation technology for games could be used for complex soil analysis. We are backing that kind of brilliant innovation being developed by companies and universities, including in Sheffield, as my hon. Friend rightly said.

The hon. Member for Mid-Sussex (Mr. Soames) made an intemperate and, I thought, rather inaccurate attack on the Prime Minister. I know there is a market for that sort of perspective, but I hope the hon. Gentleman will take it from this straight soldier that what he said is inaccurate.

I very much enjoyed the speech of my hon. Friend the Member for Crawley (Laura Moffatt). Along with the whole House, I wish her well when she returns to her previous vocation. She made some forceful points about Thameslink and she was right to underline its importance for her constituents.

The hon. Member for Harrogate and Knaresborough (Mr. Willis) spoke about his role as Chairman of the Science and Technology Select Committee, although I know him better as his party's former spokesman on education—a role that he filled with distinction.

The hon. Member for Upper Bann (David Simpson) was among those who supported the Budget's measures to support new, small and growing businesses. He mentioned agreements with RBS and Lloyds to provide new lending, nearly half of it to small businesses.

There is also the launch of UK Finance for Growth, which is responsible for overseeing the Government's stock of more than £4 billion of SME finance products. To incentivise business investment and to help small businesses expand in the recovery, the threshold for the annual investment allowance will be increased to £100,000 from next month, which means that in the first year 99 per cent. of businesses will be able to deduct from their taxable profits all their investments in plant and machinery. We are doubling entrepreneurs' relief for capital gains tax.

The economy we are now seeing is showing encouraging signs of improvement, but there is absolutely no room for complacency. We need to work hard to secure the recovery, to rebuild momentum and to build on the return of growth at the end of last year. The Budget sets out a clear plan to achieve those aims, and I commend it to the House.

9.27 pm

Ordered, That the debate be now adjourned.—*(Mr. Mudie.)*

Debate to be resumed tomorrow.

PETITIONS

Policing (Croydon)

9.28 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): I am pleased to present these petitions—*[Interruption.]*

Madam Deputy Speaker: Order. Will Members leaving the Chamber please do so as quickly and as quietly as possible?

Mr. Pelling: The petition states:

The Petition of people of Croydon declares that the London borough of Croydon requires a fairer share of police officers in London.

The Petitioners therefore request that the House of Commons urges the Government to take steps to secure a fairer share of London's policy officers for Croydon.

And the Petitioners remain, etc.

[P000789]

Traffic (The Glade, Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of People of Shirley, Croydon,

Declares that traffic on The Glade speeds and is dangerous to all road users.

The Petitioners therefore request that the House of Commons urges the Government to take steps to secure support from the relevant authorities for the introduction of road safety and road calming measures.

And the Petitioners remain, etc.

[P000790]

Traffic (Orchard Avenue, Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of people of Shirley, Croydon,

Declares that traffic on Orchard Avenue speeds and is dangerous to all road users.

The Petitioners therefore request that the House of Commons urges the Government to take steps to secure support from the relevant authorities for the introduction of road safety and road calming measures.

And the Petitioners remain, etc.

[P000791]

Potholes (New Addington, Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of people of New Addington and Croydon,

Declares that the road conditions of Parkway, New Addington has been left in such a poor state of repair that a proper repair needs to take place to the foundations of the road instead of patching repairs.

The Petitioners therefore request that the House of Commons urges the Government to secure Croydon Council's commitment to providing a thorough going long lasting repair of the major potholes in Parkway, New Addington.

And the Petitioners remain, etc.

[P000792]

Tram Overcrowding (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon,

Declares that they face such overcrowding at peak times on Tramlink that it can be impossible to board the tram.

The Petitioners therefore request that the House of Commons urges the Government to take steps to secure funding for the provision of extra trams for Croydon.

And the Petitioners remain, etc.

[P000793]

Central Parade (New Addington, Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of New Addington,

Declares that that they seek a speedy improvement in the street environment so as to rid Central Parade, New Addington, of muddy paths from the bus stop to the shops, rotted posts, broken paving, collapsed kerbs and run down street furniture.

The Petitioners therefore request that the House of Commons urges the Government to take steps to secure a response from Croydon Council undertaking to invest in the improvement of the street environment at Central Parade, New Addington.

And the Petitioners remain, etc.

[P000794]

Pear Tree Farm (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Addington and Forestdale,

Declares that the residents are concerned that there should be a regularisation of the planning arrangements for Pear Tree Farm, a waste transfer station nestled in the Green Belt on the borders of the London Borough of Croydon and Tandridge District Council.

The Petitioners therefore request that the House of Commons urges the Government to take steps to see Croydon and Tandridge Councils regularise the planning arrangements at the site and to see the Environment Agency review the Waste Transfer Licence for Pear Tree Farm.

And the Petitioners remain, etc.

[P000795]

Featherbed Lane Pinch Point (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Addington and Forestdale,

Declares that the current highways arrangements at the pinch point at Featherbed Lane pose a danger to pedestrians and other road users and notes that narrow pavements put pedestrians at risk of collision with wider commercial vehicles and is concerned that current practice in Croydon on providing road safety measures requires fatalities and injuries before action is taken.

The Petitioners therefore request that the House of Commons urges the Government to take steps to secure an investment by Croydon Council in improving safety at the Featherbed Lane pinch point that slows traffic for the safety of all road users.

And the Petitioners remain, etc.

[P000796]

Mayday Hospital A&E (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon,

Declares that Accident & Emergency at Mayday University Hospital should be protected and that the hospital's status should not be downgraded.

The Petitioners therefore request that the House of Commons urges the Government to encourage the South West London Strategic Health Authority to maintain Mayday's status and A&E unit.

And the Petitioners remain, etc. [P000797]

Night Buses (New Addington, Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of people of New Addington,

Declares that they would wish to see the current all night bus service maintained to serve all parts of New Addington.

The Petitioners therefore request that the House of Commons urges the Government to encourage Transport for London following the withdrawal of the N159 bus service to extend the 64 bus route during night running to serve all parts of New Addington.

And the Petitioners remain, etc.

[P000788]

Planning

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Mudie.)*

9.34 pm

Miss Anne McIntosh (Vale of York) (Con): I am delighted to have secured this extremely important and timely debate on the planning process and accountability. I welcome the Minister, and I look forward to what I hope will be a positive, constructive response from him.

The purpose of the planning system should be to balance economic, social and environmental priorities at national and local level. However, the planning system currently tends to create bureaucratic barriers rather than support communities in their future development. Many local politicians, councillors and planning authority officers have tried to make the current system work, however, and I take this opportunity to place on record my praise for the role they play throughout the country in taking these very difficult decisions.

Since coming to office in 1997, the Government have taken power over planning away from locally elected representatives to a more centralised control, and have given decisions to Whitehall and regional government. As a result, during this period there has throughout the country been a growing mistrust of the planning system. The Government have transferred strategic responsibility for housing and planning from local councils to unelected regional quangos. Their policies have increased centralisation and further reduced local people's say over planning decisions, and the abolition of the county structure plans has led to even more red tape. I would like to think that the Government have done one good thing, however, in recruiting a chief planner who has a better understanding than most hitherto of planning in rural areas, as his formative years were spent in a predominantly rural area.

Over recent years, a pattern has evolved in planning applications; in my experience, that is certainly the case in the rural area I represent. A developer, business or promoter of an application makes a planning application to the local planning authority, and a half-hearted consultation exercise follows, prior to a final, formal planning application taking place. Arguments are rehearsed as to why that particular application for that particular project fills a particular need for that type of project, which is missing in that local community. The planning authority may well then turn down that planning application for good reason, such as that it is contrary to the local development plan. It is a fact that the planning system in England is currently a plan-led system, involving following a plan that sets out what can be built and where the development should take place.

There are currently two main levels of plan. There is the regional spatial strategy. Each regional planning body such as the north-east of England—or Yorkshire and the Humber, with which the Minister and I are more familiar—prepares a regional spatial strategy setting out objectives such as how many homes are required to meet the future needs of people in the region or, perhaps, whether the region needs a major new shopping centre or airport. Also, each local planning authority should prepare a local development framework. There is a folder of documents that sets out how each local area may change over the next few years. There may be other types of plan too, such as on how to deal with waste, which are usually prepared by county councils. There is a bewildering array of plans, and each different type of plan is usually available in the local library.

The Government have passed further powers. They have passed powers over housing and planning to the unelected regional development agencies and the rebranded regional assemblies. Most recently, they have created a central planning quango, the Infrastructure Planning Commission, which will strip the local authorities and Secretary of State of their say on major planning applications. The IPC will quickly be bogged down in legal challenges, coming from judicial review in the High Court to the European Court of Justice, which will be costly and time-consuming. The regional spatial strategy process is in disarray. The regional spatial strategies of the east of England and the south-east have been subject to High Court review, and Ministers have delayed the publication of the final south-west strategy to pre-empt similar legal challenges.

This is nothing short of a fiasco, which has left the planning system in limbo. A huge number of councils and developers are unable to make progress on planning applications. Indeed, a survey of planners' views on Labour's planning regime—the local development framework process—found that 97 per cent. believed that it had not led to a quicker process. That survey was cited in *Planning* on 5 October 2009 and was undertaken by Cushman and Wakefield and the Town and Country Planning Association.

I believe that local communities should be given the greatest possible opportunity to have their say and for there to be the greatest possible degree of local control. As for the role of councillors, the Local Government Association has issued guidance, which takes account of the Local Government Act 2000 and the 2001 national model code of conduct for councillors. The most recent—2007—revision to the code does not affect these issues, but it covers lobbying, among other things. It says:

> "It is important to recognise that lobbying is a normal and perfectly proper part of the political process. Those who may be affected by a planning decision will often seek to influence it through an approach to their elected ward member or to a member of the planning committee."

It continues:

> "However, lobbying can lead to the impartiality and integrity of a councillor being called into question, unless care and common sense is exercised by all the parties involved. When being lobbied, councillors (members of the planning committee in particular) should take care about expressing an opinion that may be taken as indicating that they have already made up their mind".

These well-meaning codes of conduct remove the right of local councillors to form a view, to express a view or to listen formally to and consult those who are most affected by an individual project and planning application. As a result, the way in which the system works means that the electorate and those who live closest to the site involved in the planning application feel that their opinions on these applications and on the planning developments proposed are being totally ignored and that developments are being imposed on them without their views being heard. That sense of disfranchisement and of democratic deficit can lead to disenchantment and feelings of antagonism. Only radical change can possibly deliver the planning system that we need to secure in the years to come.

Rather than having one planning structure determined centrally and then applied without variation across the country, would it not be better to have a planning system with a basic national framework of planning priorities and policies but where the local plan is truly local? Should it not be a local plan for local people? That is precisely what the Conservatives are proposing. We would like there to be proper democratic checks and balances that are seen and have to be respected in the decision making on any planning application, not a plan that can be so easily overruled by a higher tier. Therefore, we would not work with the IPC. We would abolish it, while retaining its expertise. We would abolish and replace the entire bureaucratic and undemocratic tier of regional planning, including the regional spatial strategies, the regional planning bodies and the national and regional building targets. We believe that those targets should be set locally, as it is the local people who have to live with the consequences of any planning decision. We would re-enable proper planning inquiries and—yes—give back discretion to the Secretary of State.

Surely the Minister agrees that we should create a planning system where for local people the decision-making ability is seen to be transparent and accountable to local councils and that local government should be able to produce its own distinctive local policies to create communities that are enjoyable to live in, sustainable and attractive.

In my area, there are currently a number of very contentious applications at both district level, notably a residential community for the elderly, and at county council level, where there are several proposals for energy-from-waste facilities and, most recently, one for a wind farm. In each case, the code of conduct applies to those most affected—those who live closest to each individual planning application. I am sure, Mr. Speaker, that Buckingham is no different to the Vale of York in this regard, and we can each point to a village or to several villages—if not every village—in our areas that have a proposal. It could be an affordable housing proposal, for example. Hon. Members on both sides of the House would like to see more affordable housing, and the decisions should be about where it is most appropriate to put the housing and the number of houses that there should be. You will be familiar, Mr. Speaker, with the scenario in which residents write, "We have nothing against affordable housing; in fact, we welcome it, but we do not think it should be next door to us. We know just the site for it at the other side of the village."

So, the arguments are well rehearsed and I am sure that the Minister's constituency will contain many such examples, too. I am delighted that the Minister is here, as an outstanding alumnus of Lady Lumley's school in Pickering, and he is deeply familiar with those aspects across rural North Yorkshire. I am sure that he will echo my experience with the residents in these circumstances, whatever the nature of the planning application. I try so hard to explain the processes involved in making planning decisions rather than to engage in a discussion of the merits of the application when the decisions are rightly taken elsewhere. However, the residents feel aggrieved and that their concerns are not being heard, and they approach their MP to intervene. That reflects the confusion over the role of both local and national Government in the decision-making process on planning applications, as well as over the roles of the Planning Inspectorate, of the planning authorities and of an MP.

Common practice is, as the Prime Minister said as recently as 17 March, that

"a planning decision is not a matter for this House but one for the planning authorities." [*Official Report*, 17 March 2010; Vol. 507, c. 877.]

In my view, MPs are best not taking a political decision on the merits of planning applications but can guide constituents and those who feel aggrieved by the planning process on where the decisions are taken and which authority is responsible. When Parliament has devolved power to a local authority, I believe that we should respect that decision of Parliament. Parliament has entrusted the local planning authority in each case to take responsibility for day-to-day planning decisions in its area. It is right that in general the authorities should be free to carry out their duties responsibly with the minimum of interference.

May I take the opportunity to ask the Minister to give an unequivocal statement this evening on what the role of an MP should be as regards planning issues, at what stage an MP should rightly intervene, on what the role of the Planning Inspectorate is and on what his interpretation is of the code of conduct advising councillors on what their role should be? Does he agree that there is a democratic deficit, and does he believe that the planning process should be revisited?

A Library note that was prepared for me, on 23 March, for this debate tells me:

"A Planning Minister should not discuss a planning case with any interested party to a decision. This advice applies, in particular, to decisions on recovered planning appeals and called-in planning applications…Ministers should decline requests for meetings from MPs, delegations of local people, parties to an appeal or a called-in application, pressure groups or any other party who wish to make representations about a particular planning matter. The same principle applies to other forms of contact with interested parties, including telephone calls."

As I felt that was not sufficiently clear, I was given further clarification from an earlier note, dated 29 January 2009, that

"It is often the case that representations from MPs, pressure groups or other interested parties will be made to persuade Ministers either for or against the call-in of a planning application, rather than leaving the decision to the local authority."

Finally, I was advised:

"Whilst such representations may be taken into account in the decision on whether or not to call in the application,"

the law states that

"ministers should act, and be seen to act, fairly and should not discuss the decisions with these parties."

With all such planning applications, there is a feeling of grievance and that people's views are not being heard. People feel that, in most cases, a planning authority is perfectly capable of coming to a sound planning decision, but that such decisions are then overruled, called in or looked at on appeal. A planning inquiry then follows and a planning inspector overrules the views of the democratically elected councillors of that planning authority. That top-down approach to planning has led to a real sense of disfranchisement and disenchantment and a feeling of democratic deficit. There is a feeling that the views of the electorate and local residents on many current applications in the Vale of York are being ignored. We must restore democracy and accountability

[Miss Anne McIntosh]

to the planning system, and we must rebalance power back in favour of our local communities.

Every cloud has a silver lining. Since I called for this debate, much to the hilarity of the local papers and some of the national press, an aggrieved constituent of mine who felt that his views were not being heard chose to pour a perfectly good glass of local beer over his MP. I am delighted to tell you, Mr. Speaker, that I have since received the sum of money required to cover the cost of dry cleaning the attire that I was wearing on that occasion.

I want to convey to the Minister as forcefully as possible the message that there should be a local plan for local people and that sustainable development should be the key, rather than inappropriate development in inappropriate places. Regard should be had to whether functional flood plains form part of the site of such a planning application, whatever the project might be. Regard should also be had to green fields, green belt areas and the nature of areas that could be irrevocably changed for generations to come. The grounds for appeal against local planning permission should be limited either to the fact that the correct procedure was not followed in assessing the application or that a decision contravenes the local plan. The key tenets in planning policy should be restoring democratic and local control over the planning system, rebalancing the system in favour of sustainable development and sustainable communities and producing a simpler, quicker, cheaper and less bureaucratic planning system. In sum, let the people speak and let their voice be heard.

9.55 pm

The Minister for Housing (John Healey): I congratulate the hon. Member for Vale of York (Miss McIntosh) on securing the debate and taking full advantage of the early conclusion of the previous business. I know that she is an active local MP. She represents a constituency that, in large part, I sought to represent in 1992, although unfortunately I was not elected. It is my home area and, as she said, I spent many of my school days there. I was slightly disappointed that her speech was not rooted in constituency concerns but ranged more widely across planning policy, but let me try to deal with the points that she raised.

The question of accountability is at the heart of the hon. Lady's concerns. Accountability must be at the heart of any planning system if it is to command confidence and if the decisions taken as part of it are to be sustainable and acceptable, even if they are not supported by all interests, because in many cases that simply cannot happen. Accountability was at the heart of the reforms that we put in place through the Planning and Compulsory Purchase Act 2004 and, particularly with regard to national planning decisions on nationally important infrastructure, through the Planning Act 2008.

As accountability is a central tenet and requirement of the planning system, many of our reforms have been designed specifically to improve public accountability and public involvement. That applies equally to the tier of planning about which the hon. Lady was most concerned—planning at a local level, principally under the town and country planning network—as to the national planning system and the new Infrastructure Planning Commission. As an aside, may I say that her comments about the IPC spoke volumes about the contradictions that run throughout her party's planning proposals? She says that her party proposes to abolish the IPC but retain its expertise, but that is a contradiction in terms. Such a statement simply creates uncertainty and a lack of clarity for the many people who are concerned about these matters and who want sound, clear and credible proposals from her party against which they may judge the policies that we have put in place.

Let me return to the main substance of the hon. Lady's speech: local accountability for local planning decisions. The 2004 Act reformed the local planning system and the plan-making system. It introduced local development frameworks that would be prepared by local planning authorities. Whatever one might call local plans that have the democratic endorsement of an elected planning authority, they are at the centre of the system, so the local development framework is hugely important. We must have a policy and plan-led decisions, including decisions on specific applications, so that the necessary decisions, which are not always popular and easy to take, can be dealt with. The plan-making stage of the local development framework is therefore the time at which important decisions must be taken locally about such things as the need for local infrastructure and the need for additional land for housing, businesses and jobs, or a greater range of leisure activities for an area. Discussions need to be held about how necessary but perhaps unpopular developments are best planned for and provided in a local area. That, in my view, is the most important stage, where public views need to be made to count.

10 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Mudie.)*

Miss McIntosh: I take great heart from what the Minister is saying. If I follow his logic, if a project is outside the local development plan that has been agreed, that is presumably grounds for the planning application to be turned down by the local authority, and for that decision to be respected by the Planning Inspectorate or the Secretary of State.

John Healey: If a clear plan is in place, the planning authority will use it as a principal reference point from which to take guidance on the sort of decisions that are to be taken. It will also be relevant to, and a material consideration in, any Planning Inspectorate inquiry into an application.

If I may say so, the hon. Lady characterised the planning system in quite an ill-informed and illegitimate way. The fact is that a large majority of planning decisions are taken by the local planning authority and are not challenged or taken to appeal, and do not lead to a Planning Inspectorate inquiry. The majority of cases that reach the Planning Inspectorate, where a judgment is made, are found in favour of the local authority, or are simply dismissed. In other words, the local authority makes a majority of decisions that hold, and wins the majority of cases that go to the Planning Inspectorate. It is much better placed to do so if it has

done the job of putting a clear plan, and a clear set of local policies, in place, as a reference point for itself and as an important reference point for the inspectorate.

The hon. Lady describes what is happening in her area as half-hearted consultation, and mentions outcomes that are uncertain. She should look hard at her local authorities and at whether they have done the job of making sure that local people are properly informed and know what is going on, and have done the job of putting together proper policies and plans so that applications can be considered properly. Applications have to be considered. They may not be popular, but decisions need to be taken; that is part of the responsibility of any elected council. The hon. Lady rightly described that as being at the centre of the planning system and planning responsibility. As she said, it is about balancing environmental, economic and social considerations.

Before I finish on the hon. Lady's major concern about the role of local councillors and MPs, let me touch on four or five areas where we have taken steps, particularly over the past couple of years, to do exactly what she has been urging, essentially reinforcing the accountability and openness of the system and ensuring the involvement of local people.

Each local authority, as part of their preparation of the local plan, has to prepare a statement of community involvement at the outset, so that the council can set out clearly the approach that it will take to involving and informing local communities from the outset. The statement covers the whole plan-making process, from early scoping and the options right up to the point at which any plans are submitted to the Secretary of State for independent examination in public.

I am happy to accept that, in the view of planners, there are still weaknesses in what the hon. Lady describes as Labour's planning regime, but I have to say that there are fundamental flaws in the Conservatives' proposed planning regime, and not just in the eyes of planners, but in the eyes of businesses, investors and house builders—and in the eyes of local authorities that understand that their proper role is not simply to say no to anything that comes on to their desk. It is no surprise that a major national construction company described the plans as "scary as hell"; it is no surprise that the British Property Federation describes some of the measures in her proposed regime as "a recipe for chaos"; and it is no surprise that the British Chambers of Commerce says:

"On balance, we question whether the Conservative proposals do enough to deliver a planning system that underpins short-term recovery and long-term economic development."

The hon. Lady does not speak for her party on those issues, but she is well informed and an expert on them, so I suggest that she takes a long, hard look at those proposals, because quite honestly they risk bringing down the shutters on the development and long-term prosperity that many areas, including hers in North Yorkshire, need to look forward to.

I shall move on to improvements, which the hon. Lady may be interested to note. First, on the role of statutory consultees, we have set out and, following a consultation, now produced an updated and strengthened policy statement, so that we improve the arrangements regarding when and over what those organisations that either need to be consulted, or it is desirable to consult, should have influence. She will know about that issue in relation to the role of the Environment Agency, flooding risk and the important expert assessment that it can bring to any potential planning application. She will know also the role that it now plays in the overhauled system of decisions on developments that might be proposed in potential flood-risk areas.

Miss McIntosh: On that point, I am delighted that, after kicking and screaming, the Government have allowed the Environment Agency to become a statutory consultee. Will they similarly allow water companies to be acknowledged as statutory consultees in developments that impact on SUDS—urban drainage systems—and flood plains?

John Healey: As we put in place that new system of sustainable urban drainage plans, which I think is what SUDS stands for, we would certainly consider that suggestion.

So, there is the process of improving the influence that statutory consultees and organisations with expertise can bring to bear. Secondly, there is the process of improving planning application publicity for local people. Having consulted on that last summer, I decided to maintain the requirement that local authorities publicise certain planning applications in local newspapers. I stand by that, but I have also introduced a new requirement whereby, from 1 October, local authorities must publish on their websites specified information on all planning applications. That is one way in which we can ensure that more people are better informed about proposed planning applications in their area.

Thirdly, we have to beef up involvement at the stage before an application is lodged with a local authority. The hon. Lady will be aware of the provisions that I put in place for that pre-application stage—for nationally significant investment projects—when I led through the House what became the Planning Act 2008. We are looking to follow through that principle locally, because when developers and local authorities seek views, open up discussions and are ready to be informed and influenced by local views at an early stage, applications are likely to be better crafted and potentially more acceptable, if not universally popular.

Fourthly, there is the role of elected councillors, and I know, as the hon. Lady said, that many local councillors feel hesitant about becoming too involved in planning applications. They fear the bounds of propriety, but we need to strengthen the support, advice and guidance to councillors on that issue, and that is why a recent Government-endorsed plain guide to the role of councillors was produced. I was not responsible for the title, because it is called "Positive Engagement"—two words that I tend to avoid. Nevertheless, the sentiment behind it is clear, and the Local Government Association also recently updated its guidance on probity, planning and the role of local councillors.

If the hon. Lady has specific criticisms or suggestions for improvements instead of the rather sweeping generalisations that she gave, I encourage her to write to me with them, because I do see an ability for local councillors to let their local residents, whom they are elected to serve, know about potential planning applications. I see as two sides of a very important coin their role in being able to represent the concerns of their electors and to serve their purpose and their proper role as decision takers as part of the local planning authority.

[John Healey]

As for MPs, I am reluctant to follow the logic of the hon. Lady's argument in suggesting that we should somehow specify, at a national level, the precise role that MPs should play in planning applications. That has to be a judgment for the locally elected Member. All of us, as Members of this House, can play a part in and have an influence over these matters, but clearly, as constituency representatives, we are not the decision takers. None of this will work well in future unless local authorities, councillors and officers—not just officers in the planning department—better understand the nature of the planning process and the nature of their responsibilities and act better to deal with the concerns of local people in consultation and information exercises.

That is why when I published the new policy planning statement on climate change and renewable energy a couple of weeks ago, I also made available nearly £10 million in order that councils can step up and improve their ability to understand the responsibilities involved and conduct those responsibilities rather more effectively locally than we may have seen in the past. It is also because of this desire to reinforce the ability of the public to be well informed, to have an influence and to make their views count in the planning process that I have increased the funding available for planning aid. That is designed to support local community groups and residents' groups who want to understand the planning system better and want to use their position, and the planning system so that their views count.

In the end—perhaps the hon. Lady will pass this on to her Front-Bench colleagues who have prepared her party's policy proposals—it is simply not good enough to think that giving a green light to those who largely want to oppose any development in their area is the proper discharge of elected office or responsibility in the planning system. To design a planning system based on that type of reform would lead to the chaos that some of the concerned organisations talk of, but also to letting down the very people who need decisions to be taken about long-term development so that they can have the homes that their children or elderly parents need, so that businesses can bring them jobs and so that they can have leisure facilities that may improve their area and their life for the future.

There are tough decisions to be taken, and as the hon. Lady said, the planning system has to be about decisions that balance often competing and conflicting interests, whether they are environmental, social or economic. In the end somebody has to take those decisions, and the principal people taking them should be the elected councillors on the local planning authority.

Question put and agreed to.

10.15 pm

House adjourned.

House of Commons

Tuesday 30 March 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

ALLHALLOWS STAINING CHURCH BILL [*LORDS*]
Bill read a Second time and committed.

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

NHS Staff (Assaults)

1. **Michael Fabricant** (Lichfield) (Con): How many assaults on NHS staff on duty were reported in 2009; and if he will make a statement. [324904]

The Parliamentary Under-Secretary of State for Health (Ann Keen): Between 1 April 2008 and 31 March 2009, there were 54,758 reported physical assaults against NHS staff in England. That figure is for all reported assaults and includes any linked to NHS employment including those that occurred while staff were off duty.

Michael Fabricant: I think that the whole House would agree that 54,758 assaults are 54,758 too many. What training is given to NHS staff to help them to avoid those situations?

Ann Keen: Any violence against NHS staff is totally unacceptable. The NHS constitution pledges a safe working environment, free from violence, for staff. Historically, we worked in a culture in which we were not encouraged to report violence. We are pleased that our culture is now much more open, and that staff are now encouraged to report such incidents. Training is a matter for individual trusts, and training is given. That is important, but we also need to send a clear message to anyone who tries to assault our staff that we will seek to prosecute them. From April, we shall record the figures in such a way as to give the trusts access to them more quickly and more easily, so that we can monitor the trusts and assist in any training that is required.

Mr. Lindsay Hoyle (Chorley) (Lab): Of course, anything that can be done, and any way of improving the collecting of information, is important. The reality is, however, that it is totally unacceptable for the hard-working staff of the NHS to have to suffer attacks. What can we do to protect them, and what more can we put in place in the form of people and security measures? We should not tolerate this situation; we should be doing more about it. I look forward to my hon. Friend's answer.

Ann Keen: Absolutely; I totally agree with my hon. Friend. Each trust and primary care trust has responsibility as an employer for its employees, and different areas of work will require different measures. Security guards are employed in some areas, and police officers have a function in hospitals. We have also introduced new powers to remove from hospital premises anyone—including those who have accompanied patients—who is causing a nuisance or disturbance and diverting staff from carrying out their duties. This new offence could lead to a fine of up to £1,000. We want to give the strongest message that our NHS staff must be protected at all times.

Mike Penning (Hemel Hempstead) (Con): The whole House will agree that any assault on NHS staff is abhorrent, and that the full force of the law should come down on the perpetrators. The fact that 54,000-plus assaults on staff took place in 2008-09 is fundamentally wrong. However, the Minister's warm words about prosecution fall flat when we consider that only 1.3 per cent. of assaults on NHS staff result in any form of criminal sanctions. Why are so many people getting away with assaulting our NHS staff? Why is the full force of the law not coming down on them?

Ann Keen: The hon. Gentleman is right to show his concern, but it is not for us to prosecute such cases; it is a matter for the Crown Prosecution Service. We do everything in our power to encourage such prosecutions to be brought, however—for example, we do everything we can to encourage evidence to be produced. We also want to prevent such assaults, and train people to prevent them.

Medicines (Parallel Exports)

2. **Christopher Fraser** (South-West Norfolk) (Con): What steps he is taking to reduce parallel exports of medicines. [324905]

The Minister of State, Department of Health (Mr. Mike O'Brien): In November, the Government and medicines supply chain stakeholders published joint guidance to manufacturers and wholesalers on their existing legal responsibilities. On 2 March, the Government hosted a summit at which we agreed a further package of actions to ensure that patients continue to get the medicines that they need.

Christopher Fraser: What estimate has been made of the amount of potential research and development money that is lost to British firms as a result of parallel trading?

Mr. O'Brien: Research and development money is only part of the issue. The key issue is that patients are sometimes not getting the medicines that they need. That is what parallel exporting is all about; it is not so much about the research and development that takes place in a number of centres. When patients go to the chemist, they want to know that the medicines they need will be there.

Mark Simmonds (Boston and Skegness) (Con): I acknowledge that this is a complex issue, and that it has been exacerbated by the weak pound and the Government's renegotiation of the prescription pricing regulation scheme. However, parallel exporting has resulted in a shortage of nearly 50 medicines in the UK, including those needed for the treatment of cancer and transplant patients. The issue first arose in 2008, and the number of export licences has grown exponentially since then. Why has it taken the Government so long to begin to address this serious issue, and why does the Minister not insist that patients must come first and introduce tighter controls on access to medicine export licences?

Mr. O'Brien: It is certainly the case that we dealt with this issue during the course of last year and we also published the guidance, to which I have referred, in the same period. Furthermore, at the summit we held with stakeholders at the start of this month, a package of proposals was agreed, including a more explicit duty on manufacturers and wholesalers to provide medicine to NHS patients, target inspections by the Medicines and Healthcare products Regulatory Authority, tougher standards for licensing medical wholesalers and best practice guidance on how to deal with supply difficulties. We need to consult on some of those issues. Those consultations are already taking place; indeed, there are meetings going on today.

Maternity Services

3. **Hazel Blears** (Salford) (Lab): What steps he is taking to ensure that maternity services provide a full range of high-quality birth choices for women. [324906]

The Secretary of State for Health (Andy Burnham): Almost all NHS trusts are delivering the national guarantee for women to have a choice about place of birth as set out in "Maternity Matters". This supports our aim to give all mothers easy access to supportive, high-quality maternity services, designed around their individual needs, their families and those of their baby.

Hazel Blears: I thank my right hon. Friend for that reply. He will know from his recent visit to Salford that mums such as Lisa Kean and fabulous midwives such as Heather Rawlinson and Sarah Davies have been campaigning with me to make sure that there is a midwife-led maternity unit in Salford, so that the next generation of Salfordians can continue to be born in the city. Will my right hon. Friend give this unit his full support so that we have a real facility rather than the smoke and mirrors of "maternity networks", whatever they might be, which are currently on offer from the Opposition?

Andy Burnham: I spent a very enjoyable and interesting afternoon with a group of Salford mums recently and I would recommend it to anyone, as I learned a great deal. I know that they are giving their support to the formidable campaign that my right hon. Friend has led to establish a midwife-led unit in Salford. I know that NHS Salford has recently given support in principle for that scheme, but it will consider the full business case later this year.

Sir Nicholas Winterton (Macclesfield) (Con): I declare an interest as an honorary vice-president of the Royal College of Midwives.

Sir Patrick Cormack (South Staffordshire) (Con): Deliver. Deliver.

Sir Nicholas Winterton: I am going to deliver.

Does the Secretary of State accept that a safe, successful and enjoyable birth is what every woman craves? Does he further accept that midwives are absolutely critical to the care given to a pregnant woman, not just before pregnancy, but during delivery and post-natally? Will he ensure that there are sufficient midwives to provide that quality of service?

Andy Burnham: I thank the hon. Gentleman for his question and I pay tribute to him in his honorary role with the Royal College of Midwives. I agree wholeheartedly with the way in which he has presented his question. It is crucial to give mothers the best possible support during childbirth. Eighty-nine per cent. of women say that the care they receive during pregnancy and childbirth is good quality, but there is more to do to ensure that that 89 per cent. becomes higher. We are recruiting more midwives. We have had 4,000 more since 1997; we need to recruit more to ensure that this one-to-one support is there. I pay tribute to the hon. Gentleman for the work that he has done.

Mr. David Crausby (Bolton, North-East) (Lab): The £20 million investment available for the new super-maternity centre in the Royal Bolton hospital is very welcome indeed, but is it not threatened by those who support proposals to abandon the Making it Better scheme that covers Greater Manchester?

Andy Burnham: My constituents will also benefit from that investment to the Bolton Royal, which is much welcomed. I am disappointed that candidates are going around Greater Manchester undermining the clinically-led process that we went through with Making it Better. We took difficult decisions because we wanted to improve the safety of services for mothers and children. These candidates cannot have it both ways: they say that they will save maternity units elsewhere in Greater Manchester, yet by attacking the scheme, they undermine the investment going into my hon. Friend's constituency.

Norman Lamb (North Norfolk) (LD): The Government have made repeated commitments about choice for all women in childbirth. Jenny and Hadleigh Farrer of Norwich, however, who specifically wanted a home birth were told when Jenny went into labour that no midwives were available between 10 pm and 8 am the following morning. She gave birth at home without a midwife in attendance. Does not this case and many others expose the sad reality, confirmed by the Royal College of Midwives, that there are not enough midwives to deliver either a safe birth or choice for women in childbirth?

Andy Burnham: I am not aware of the precise details of the case raised by the hon. Gentleman, but if he will write to me I shall be happy to look into it. I can tell him that 99 per cent. of primary care trusts offer home birth as a core part of their offer to mothers-to-be, although

the arrangements may vary according to the circumstances obtaining on any particular day and the levels of clinical risk that may be involved in any pregnancy. I want to go even further and enshrine in the NHS constitution a guarantee that all mothers-to-be can give birth in a place of their choosing.

Musculoskeletal Diseases

4. **Graham Stringer** (Manchester, Blackley) (Lab): If he will appoint a national clinical director for musculoskeletal diseases. [324908]

The Secretary of State for Health (Andy Burnham): I am grateful to my hon. Friend for the interest that he has taken in this important subject. I can tell him that I am minded to appoint a national clinical director, but I am seeking the advice of the National Quality Board, which is currently focusing on the subject of musculoskeletal diseases.

Graham Stringer: I am delighted by my right hon. Friend's positive response, but will he tell us how quickly he expects to receive that advice, and what the schedule will be for the appointment of a clinical director?

Andy Burnham: It may be difficult to do in a matter of days, but I wanted to give my hon. Friend a clear commitment. I pay tribute to the work that he has done in raising awareness of the cost to our economy of failure to provide early treatment and diagnosis of musculoskeletal problems, particularly rheumatoid arthritis. Those who suffer from that condition take an average of 40 days' sick leave a year.

I appreciate my hon. Friend's push to ensure that the NHS does a better job in focusing on such conditions. As I have said, I am minded to appoint a clinical director, and I am grateful to my hon. Friend for the campaign that he has led.

David Tredinnick (Bosworth) (Con): The Secretary of State will be aware that some musculoskeletal conditions can be relieved through the use of herbal medicine and acupuncture. Is he aware that Hydes herbal clinic in Leicester has written to me again, wondering why the Government have not responded to the consultation on the statutory regulation of herbal medicine? Will they do so next week, in the last gasp of their tenure?

Andy Burnham: It is fitting that the hon. Gentleman should make us think about complementary therapies during our last session of health questions. I believe that he was once described as the hon. Member for Holland and Barrett, but his interests are far broader than that: he really represents the whole field of complementary and alternative therapies. I should like to say more about the matter that he has raised before the end of the current Parliament.

Miss Anne Begg (Aberdeen, South) (Lab): I am particularly delighted to hear the news that there is to be a clinical director—does that mean that he will be a bones tsar?—because I am aware of the cost to the economy of people who are out of work because of musculoskeletal problems. The number of people receiving incapacity benefit and the new employment support allowance has proved resistant to reduction simply because there is not enough focus on returning people with such problems to work and getting them moving.

Andy Burnham: My hon. Friend is right. That is why we asked Dame Carol Black to conduct a review. She published "Working for a healthier tomorrow", which proposed initiatives such as the "fit note" to help us to encourage people to return to work as soon as possible. Dame Carol's work also led to our fit for work service pilots.

This is a crucial issue for the country. There are 26,000 new cases of rheumatoid arthritis every year, and 690,000 people in the United Kingdom are believed to be living with the condition. If it is not detected and treated early, the damage to the joints can lead to severe disability and restrict people's ability to work in the long term. My hon. Friend is right to say that we should focus on the issue, as is my hon. Friend the Member for Manchester, Blackley (Graham Stringer). That is why I am minded to appoint a national clinical director.

Mid Essex Hospital Trust

5. **Mr. Simon Burns** (West Chelmsford) (Con): How many times patients have waited longer than 18 weeks for the start of treatment in the Mid Essex Hospital Trust area in the last 18 months; and how many patients were so affected. [324909]

The Minister of State, Department of Health (Mr. Mike O'Brien): Mid Essex Hospital Services NHS Trust has met the 18 weeks standard in every month since August 2008. The standard allows patients to choose to wait longer, or alternatively to wait longer when that is clinically appropriate. It is reported that 5,649 patients at the trust have waited more than 18 weeks.

Mr. Burns: I thank the Minister for that answer, but I would be grateful if he would check it with those who briefed him, because I think he will find that the situation is not 100 per cent. as he has just said; I have reason to believe there have been breaches of the 18-week waiting time for those who wanted to be treated within that period but could not be. Will the Minister look into that and write to me, making a correction if necessary?

Mr. O'Brien: I will certainly write to the hon. Gentleman, but may I just say to him that there are issues in relation to some orthopaedic patients and, I think, three patients in urology and one in neurosurgery, but they are quite complex issues involving staffing levels? Nothing I have said to him contradicts that, but if he wishes me to write to him, I will be very happy to do so.

End-of-life Care Strategy

6. **Mr. David Amess** (Southend, West) (Con): What plans he has to audit spending on the end-of-life care strategy. [324910]

The Minister of State, Department of Health (Phil Hope): We attach great importance to improving end-of-life care. We know that most people would prefer to be cared for in their own homes, which is why in the next Parliament we will bring forward proposals on a right for people to choose to die at home if they wish. In the end-of-life care strategy, we made a commitment to monitor the £286 million of new money we were making available for implementation over 2009-10 and 2010-11. We have asked strategic health authorities and primary care trusts to report by 21 May this year on how they have invested the new money for 2009-10.

Mr. Amess: As the Minister may know, during this Parliament I was involved in a meeting on hospice funding with the Prime Minister, during which he praised the hospice movement. Everyone knows that hospices depend on charitable giving and volunteers. In light of that, have the Government made any assessment of the impact of the recession on the hospice network?

Phil Hope: As the hon. Gentleman rightly suggests, the hospice movement plays a vital role. Many Members have in our constituencies hospices that do an excellent job. That is why the £286 million of additional funding to which I have just referred includes £40 million that is being made available to hospices through a capital fund in 2010-11. I will be making announcements on that soon.

Mr. Mark Todd (South Derbyshire) (Lab): The all-party group on motor neurone disease conducted an inquiry into end-of-life care that revealed that many primary care trusts have either not been fully utilising the money set aside or have not used it at all for this purpose and have instead taken it entirely for other purposes. Is that also the early evidence from the Minister's inquiries?

Phil Hope: First, I congratulate my hon. Friend, who has been a long-standing champion in the House for people with motor neurone disease. We are monitoring primary care trusts' expenditure of the £286 million for the reason he suggested. The results of that analysis will be shared with the Public Accounts Committee, included in the end-of-life care strategy second annual report, and published on the Department's website. We are making good progress, but we need to make sure that work is happening on the ground.

Mr. Stephen O'Brien (Eddisbury) (Con): I rise to ask a question in light of the Government's admission in the past few weeks that, distressingly, only 30 per cent. of the money earmarked for end-of-life care users has reached patients under the Government's end-of-life care strategy, and that, similarly, dementia sufferers have received only a third of the funding pledged under the Government's dementia strategy—let alone the fact that only one quarter of funding under the carers strategy has been received by those for whom it was intended. On behalf of those who have not received their respite breaks, or, indeed, the dignity they deserve, I ask the Minister when he intends to honour his promise not just to have the money properly audited and reported on, but to make sure it is wrung out of the wasteful bureaucracy and put to front-line use, as promised.

Phil Hope: As the hon. Gentleman knows, we are looking carefully at how primary care trusts and strategic health authorities are spending money at the local level on a variety of important resources and support for patients and carers. I might add that we hope no one will have to monitor what impact the £6 billion a year of cuts the Conservative party announced yesterday would have on local care services throughout the country.

Rob Marris (Wolverhampton, South-West) (Lab): The excellent Compton hospice is headquartered in my constituency and does a fantastic job. One of the things it does is train workers in palliative care. Will my hon. Friend tell me what financial support is available from the Government—it certainly should be—to help with the training of workers who will be doing palliative care?

Phil Hope: My hon. Friend puts his finger on an important part of how we raise the quality of end-of-life care for people right across the country. Training is one particular issue, but I should add that by working through the Dying Matters coalition, we want to raise public awareness of issues associated with death, dying and bereavement. We not only need the professional training to be right, but need to address the taboo that too often exists in this country about discussing these matters, so that people are encouraged to think about, and plan and prepare for, this period in their life or in the life of a loved one in their family.

Carers Strategy

7. **Angela Watkinson** (Upminster) (Con): What plans he has to audit spending on the carers strategy. [324911]

The Secretary of State for Health (Andy Burnham): Each Department that supports the cross-government carers strategy is responsible for auditing its contribution. My Department's programmes are subject to independent evaluation. We have asked strategic health authorities to identify where primary care trusts have agreed with their local authorities to prioritise support for carers.

Angela Watkinson: I thank the Secretary of State for his reply. He will know that some young carers fall behind in their studies because of a lack of awareness of their circumstances on the part of school staff. What guidance is given to schools to ensure that they are aware of what is happening and can help those young carers to balance their caring responsibilities with their personal development and education?

Andy Burnham: The hon. Lady raises an issue about which I care greatly. Some young people in our communities carry an incredible burden whereby they care for a family member and often sacrifice a great deal of their own life chances in doing so. Part of the problem is that the authorities often do not know that they are performing those caring responsibilities. We all have a duty to work harder to identify who those young people are and give them extra support, so that they do not miss out in later life as a result of performing a crucial function in caring for a loved one at a young age.

Dr. William McCrea (South Antrim) (DUP): Does the Secretary of State accept that many carers feel undervalued in the work that they do? How does he see that being radically changed? Will he assure us that family carers do not lose any benefits that they should normally receive?

Andy Burnham: I agree with the hon. Gentleman that people feel undervalued. It is right to say that carers often face a battle to get support and that that can be very wearying, particularly at a difficult emotional time for their family. That is why we have published today—he did call for radical change—a White Paper that proposes a fundamental reform of social care in England by establishing a national care service, which will be free at the point of use and operate according to need and on NHS principles. It will also give everybody the ability to get peace of mind in later life and to protect what they have worked for. We have also said that the essential characteristics of attendance allowance and disability living allowance will be preserved in any new system.

Expenditure Changes

8. **Paul Rowen** (Rochdale) (LD): What mechanism he plans to use to determine changes to expenditure on health services in the next four years. [324913]

The Minister of State, Department of Health (Mr. Mike O'Brien): Overall primary care trust funding rose by 5.5 per cent. in this financial year and it will rise by 5.5 per cent. in the financial year 2010-11. Under Labour, these rises of 11.3 per cent. overall will be locked in for two further years up to 2013. In addition, the NHS is looking to make savings of £15 billion to £20 billion, which will be reinvested in NHS budgets.

Paul Rowen: I am sure that the Minister is aware of a leaked letter sent by the chief executive of the North West strategic health authority to PCTs calling on them to prepare cuts of 10 per cent. across the board and 15 per cent. in operational services. Such cuts include the shutting of Rochdale's accident and emergency department from 12 o'clock at night. Will the Minister admit, and stop trying to fool people about the fact, that the Government are planning real cuts after the election?

Mr. O'Brien: Heywood, Middleton and Rochdale PCT will receive £358 million and £378 million in this financial year and next, which is an increase over the two-year period of £38.4 million, or 11.3 per cent. That is what we are planning for the hon. Gentleman's area. I should tell him that, contrary to what his website says, there are no "secret plans" to close his accident and emergency department overnight. There are concerns about understaffing in A and E and the board will examine how to address that in due course, but no decision has been made about closing the A and E department overnight.

Mr. Ian Cawsey (Brigg and Goole) (Lab): I hope that my right hon. and learned Friend has not been looking at my website. When he reviews expenditure for the next two years, will he consider the impact on other departmental budgets? I have recently been dealing with a difficult and complex mental health case of a constituent. It involved a significant cost to the taxpayer, arising mainly through the police and the Prison Service, from which my constituent received no care or treatment to meet his needs. Can we ensure that as we examine our health service expenditure for the next four years, the mental health needs of our society are given a greater priority?

Mr. O'Brien: My hon. Friend is right that we need to ensure, in accordance with the Bradley report, that mental health issues are given a very high priority. We heard questions earlier about assaults on staff and relevant matters; mental health issues might be a factor in such cases. The NHS and other public services must, increasingly, address that area.

Mr. Andrew Lansley (South Cambridgeshire) (Con): The Conservatives are committed to a real-terms increase in the NHS budget each year in the next Parliament. Is that a commitment that the Minister can match?

Mr. O'Brien: As I have already indicated, as far as we are concerned there will be an 11.3 per cent. increase this year and next year, and we are locking that increase in for the NHS for a further two years. Overall, for the next three years, we are going to see an increase not only on current budgets, but again next year.

Mr. Lansley: The House will note that the Minister has merely said what Ministers have said before—there will be flat, real-terms funding in 2011-12 and 2012-13—so he cannot match the commitment that I have made. How can he reconcile his answer with the plans of strategic health authorities across the country which include cuts of 10 per cent. or more in staffing in hospitals?

Mr. O'Brien: As far as we are concerned, we are guaranteeing primary care trust budgets—that is what we are talking about: front-line services—in real terms. We are going to see an increase in those budgets, and we have already seen substantial increases in staffing. Everyone out there who is watching these proceedings and considering how to vote at the next election will remember that the Conservatives left the NHS on its knees. After we came into office in 1997, we got it up off its knees. It is now good and we can make it great. The hon. Gentleman could never do that.

Mr. Lansley: For all that bluster, the right hon. and learned Gentleman still cannot match the commitment we have made to real-terms increases for each year of the next Parliament—and, indeed, for the whole NHS budget. What about capital budgets? In the operating framework that was sent out to the NHS, the Labour Government have told it to expect a 50 per cent. reduction in capital expenditure over the course of the next spending review. How can he and his Secretary of State go around making promises of capital expenditure, as he did at Liverpool's Broadgreen hospital yesterday, given that Labour is committed to halving the capital budget for the NHS, while we are not?

Mr. O'Brien: The hon. Gentleman voted against the Wanless report and did not want national insurance to be increased for the NHS, and the Conservatives did not provide any of the extra funding that we have put into the health service in the past decade. Does anyone seriously think that they can be trusted with the NHS? I suspect that most members of the public do not. We will be able to test that in due course at the election. If people are asked who they can trust with the NHS, they have only to look at the Conservative record and then at ours to know that only Labour can be trusted with it.

Paddy Tipping (Sherwood) (Lab): Despite record increases in funding, all nine PCTs operating in the east midlands do not reach the Government's own funding target. Does my right hon. and learned Friend accept that part of the issue is fast population growth in the east midlands? Is not the solution to ensure that new population figures are fed into the funding formula as quickly as possible?

Mr. O'Brien: My hon. Friend is quite right. We need to ensure that the funding formula properly and accurately reflects issues related to population change, which can be significant in particular areas. We need to work through some of those issues, taking a great deal of care, with the other Departments that are affected by this issue.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Will my right hon. and learned Friend look at the report of the Select Committee on Children, Schools and Families on children's centres, which was published yesterday,

when he is thinking about expenditure over the next four years? Will he consider the criticism that the health sector is often the weaker partner with the Department for Children, Schools and Families? Can we see a greater commitment in both resources and commitment to the children's centres, which are doing a wonderful job of cutting down the silos that we see too often in health and education in the early years?

Mr. O'Brien: My hon. Friend is quite right. Children's centres are absolutely crucial in breaking down barriers and improving children's health and well-being. That is why the Government will ensure that funding for children's centres is given due priority—unlike the Opposition, who we know plan to cut funding for children's centres.

Administrative Tasks (Nurses)

9. **Mr. Oliver Heald** (North-East Hertfordshire) (Con): What estimate he has made of the proportion of their working hours NHS nurses are required to spend on administrative tasks. [324914]

The Parliamentary Under-Secretary of State for Health (Ann Keen): NHS trusts are responsible for planning the activities of their nursing work force to meet the needs of their patients. It is not possible to collect centrally information on the proportion of working hours that NHS nurses are required to spend on administrative tasks.

Mr. Heald: Two years ago, the Royal College of Nursing carried out research into this and found that front-line nurses were spending 1.6 million hours a week on non-necessary paperwork. We are two years on from that, so is the Minister able to give any information about whether any progress has been made? For nurses to spend a day a week on average on non-essential paperwork is clearly unsatisfactory. We do not want them pen pushing; we want them helping patients.

Ann Keen: I think that we would all agree, but keeping accurate records is a nurse's essential responsibility under the code of the Nursing and Midwifery Council, the body that regulates nurses. We acknowledge the RCN's report, and that is why more than £50 million has been put into the health service to support the "Releasing Time to Care" programme, in which more than 80 per cent. of primary care trusts are now involved. It is exceptionally important that accurate records and assessments are made of patients and that all communication is recorded but, in my opinion and that of many nurses, that has improved greatly.

Trained First-aiders

10. **Bob Russell** (Colchester) (LD): If he will undertake research into the proportion of people attending hospital accident and emergency departments whose treatment could be delivered effectively by a trained first-aider. [324915]

The Minister of State, Department of Health (Gillian Merron): The Department has no plans to do so. First aid is normally given to sustain a patient in an emergency. It is not, of course, a substitute for effective treatment by a health professional.

Bob Russell: I had hoped for a better answer. May I suggest to the Minister that there is a general acceptance that many people go to accident and emergency departments who should not be there? If society had more trained first-aiders—as my superb ten-minute Bill of 19 November 2003 proposed—there would be less pressure on the NHS budget and on our A and E departments.

Gillian Merron: I am, of course, disappointed to disappoint the hon. Gentleman. I am sure that he, like me, would pay tribute to organisations such as the Red Cross and the St. Johns Ambulance service, of which I used to be a member, and to the many first-aiders up and down the country who give their time to provide on-the-spot initial care. However, first aid is not a treatment, as it can involve anything from putting a plaster on to keeping a patient alive until appropriate medical care is given. There is a range of possibilities for people who need treatment: as well as going to A and E, they can consult NHS Direct or visit the many new walk-in centres that the Government have set up. They can also use the extra services provided by pharmacies and out-of-hours doctors, and we are piloting a three-digit number for the future.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): A and E services are often put under great pressure by peaks in drinking, particularly binge drinking at the weekend. Will my hon. Friend look at how the Plymouth PCT and Derriford hospital have brought a service into the city service to address that issue? The service uses paramedics and others to treat people in situ, thus relieving pressure at the main service point in Derriford hospital.

Gillian Merron: I would of course be very happy to look at that service, and I congratulate the local health care services in my hon. Friend's constituency on showing such initiative. What they are doing is exactly what the NHS is about—taking the right services to the right people at the right time.

Cancer Survival Statistics

11. **Mr. John Baron** (Billericay) (Con): What consideration he has given to extending the range of cancers for which his Department publishes one-year survival rates; and if he will make a statement. [324916]

The Secretary of State for Health (Andy Burnham): The second annual report on the cancer reform strategy sets out one-year survival information for breast, lung and bowel cancer by primary care trust. Where it is statistically reliable to do so, we will include additional cancers in the third annual report on the cancer reform strategy.

Mr. Baron: I thank the Secretary of State for that answer, but given that the all-party group report on cancer inequalities found a groundswell of support for the introduction of a one-year survival indicator for all cancer patients to ensure that we move away from input-based targets to measuring how effective the NHS is in treating cancer, will he give that consideration further review, and do it with renewed vigour? Many believe that that would help to improve early diagnosis.

Andy Burnham: May I pay tribute to the hon. Gentleman for the important leadership role that he has played on those matters in this Parliament as a distinguished chair of the all-party group on cancer? I want the NHS to focus on the early diagnosis of cancer—I agree with him about that—and one-year survival figures will help to get the focus that we need, published for as many cancers as possible and by PCT. Where I must take issue with him is on his comment about input-based targets, or process targets, as Conservative Members often call them.

When it comes to cancer, process equals time, and time matters. That is why Labour will enshrine in the NHS constitution the two-week guarantee so that people can see a cancer specialist, and why we are making a flagship pledge to deliver cancer test results within one week in the next Parliament. I hope that the hon. Gentleman will persuade his Front Benchers to back those commitments.

Confidential Settlements

12. **David T. C. Davies** (Monmouth) (Con): How much the NHS spent on confidential settlements with members of NHS staff in the last three years. [324917]

The Minister of State, Department of Health (Gillian Merron): It is not possible to separate out confidential severance payments within the NHS account. However, NHS expenditure in England, excluding foundation trusts, in the relevant category—ex gratia payments, other—was £4 million in 2006-07, £8.2 million in 2007-08 and £5.4 million in 2008-09.

David T. C. Davies: I thank the Minister for that helpful answer. I have recently been dealing with the case of a Dr. Lucy Dawson in my constituency, who was offered a confidentiality payment to keep quiet about a complicated matter. That worries me. Does it worry the Minister that, apparently, millions of pounds are being handed over to people simply to persuade them to keep their mouths shut when they see wrongdoing in the NHS? Will she commit to doing something about it?

Gillian Merron: That is not a culture in the NHS that I recognise. It is important to say that those payments relate to all staff groups—for example, a termination payment made out of compassion, perhaps to a seriously ill nurse, could be included in the figures. Another example would be where a payment represents best value for money—for example, if legal advice suggests that a case would be lost at an employment tribunal. Any proposed payment is not permitted to reward failure, dishonesty or inappropriate behaviour. Indeed, such a payment would not be approved. It is worth saying that the Audit Commission also acknowledged extremely rigorous processes that we have in the NHS for approving such payments.

Paediatric Cardiac Surgery

13. **Sandra Gidley** (Romsey) (LD): What progress has been made on the national review of paediatric cardiac surgery; and if he will make a statement. [324918]

The Parliamentary Under-Secretary of State for Health (Ann Keen): The review of paediatric cardiac surgery is making good progress. Centres offering those services will shortly be asked to submit their proposals for meeting the requirements to be a surgical centre in the future.

Sandra Gidley: There are concerns that the national specialised commissioning group has already decided to reduce the number of units to five and that certain arbitrary assumptions mean that the slightly smaller units will be at risk of closure. Southampton general hospital is internationally respected for its work in this field, so will the Minister assure me that safety outcomes and quality will be the main criteria used in making the decision, not merely the number of procedures a year?

Ann Keen: The criteria were defined to secure safe and sustainable paediatric cardiac surgery services. Southampton University Hospitals NHS Trust's outcomes show that it is consistently either at the top or very near the top of all performance tables.

Community Health Services (Worcestershire)

14. **Peter Luff** (Mid-Worcestershire) (Con): What assessment he has made of the likely effects on patients and staff of the reorganisation of community health services in Worcestershire; and if he will make a statement. [324919]

The Minister of State, Department of Health (Gillian Merron): This is a matter for the local NHS, which is proposing changes to improve the quality of services to patients. That will be thoroughly tested against national criteria.

Peter Luff: I think that the Government are probably right to insist on the purchaser-provider split, but does the Minister understand that the timetable the Government are insisting on for the reorganisation of community services in Worcestershire could lead to the wrong decisions being taken about the future of those services, contrary to the interests of patients and staff, and probably to the need for a further reorganisation, which would be damaging and disruptive to the organisation, all too quickly?

Gillian Merron: I spoke to the chief executive of Worcestershire PCT just this morning, and the need for improving services has been worked on since January 2009. The Department's deadline for achieving substantial implementation is April next year. The local NHS does not see this as a forced or a hastened change, and it has worked closely with staff, patients and others to improve services. What I believe would prove disruptive and disconcerting for staff and patients is delaying this improvement in services.

National Dementia Strategy

15. **Richard Ottaway** (Croydon, South) (Con): What mechanism will be used to audit spending on the national dementia strategy. [324920]

The Minister of State, Department of Health (Phil Hope): Dementia is a national priority and we are already spending over £8 billion a year on dementia in health and social care. The mechanism for the audit of the first ever national dementia strategy, which I published last year, is under development. We will consider how

money is spent as a whole in health and social care for people with dementia, and that will form part of a wider review of dementia services.

Richard Ottaway: The strategy contains an outline of a proposal that employers should look for signs of dementia among employees. In the event that that happens, will he assure me that there will be training for employers in that process, and safeguards against discrimination against older employees?

Phil Hope: Yes, employers will certainly not be able to discriminate against older people, but it is important that we have raised general public awareness of dementia. For too long, dementia has been ignored or not recognised, and people therefore do not come forward for diagnosis by their GP or specialist memory clinic. As a result, they do not get a diagnosis for two or even, on average, three years, when the dementia has progressed. That means that we do not intervene early enough, and that means that we do not help people live with dementia well enough or hold back the progression of the disease. I hope that the wider public, as well as professionals in the health and social care system, will be able to identify early signs and refer people to appropriate specialists, and so ensure that people get the early intervention that they need.

Mr. David Drew (Stroud) (Lab/Co-op): Will my hon. Friend ensure that as part of the audit we look at the cost and value of day centres? Too often nowadays it appears that local authorities, in particular, are trying to run down day centre services when those are often the only means by which people with dementia can get out of their homes. That is surely a retrograde step.

Phil Hope: I understand my hon. Friend's concerns. One of the directions of travel that we wish to pursue is the idea that individuals might have a personal budget so that they can take more control over the care that is provided to them. Carers and the person with dementia will then be able to use their resources to ensure that they have the services that they need. We wish to ensure that services for people with dementia, possibly through peer support and other aspects of effective dementia care that we are demonstrating in this the first year of the strategy, are made available more widely throughout the country.

Jeremy Wright (Rugby and Kenilworth) (Con): Has the Minister had the opportunity to look at the latest report of the all-party group on dementia on what has happened to money allocated for the implementation of the national dementia strategy? If so, does he share my concern that very few of the PCTs that were asked could tell us what they had done with their share of the £60 million allocated for the first year of the strategy, or at least explain how what they had done with it related specifically to dementia? Can we do better for next year?

Phil Hope: The hon. Gentleman is chair of the all-party parliamentary group, which has done sterling work under his leadership during the past year to raise the profile of the needs of people with dementia and the need to provide better services for them. I congratulate him and his colleagues from all parties. The audit that I described earlier is designed to track progress in implementation of the strategy's objectives. We will be looking at a whole range of factors, such as the number of dementia leads in hospitals, which is a key part of the strategy, the number of established memory services, and the use of anti-psychotic drugs, another issue that he and I share a concern about and on which we wish to see rapid progress.

Topical Questions

T1. [324929] **Peter Luff** (Mid-Worcestershire) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Andy Burnham): The Government have today published a White Paper on the reform of social care in England. It proposes a national care service providing quality care and support for all adults in England free for people when they need it. It represents one of the biggest changes to the welfare state since the creation of the NHS. It sets out three stages of reform. First, the Personal Care at Home Bill helps the most vulnerable, enabling us to provide free personal care in their own homes for those with the highest needs. In the second stage, we will end the local lottery in care and establish national standards and entitlements. From 2014, care will be provided free to anyone staying in residential care for more than two years. At the start of the next Parliament, we will establish a commission to help reach consensus on the fairest and most sustainable way for people to contribute to the new system. As people live longer, we need to act to give them peace of mind and the ability to protect what they have worked for. Reform will work only if those benefits are secured for everybody.

Peter Luff: That sounded a bit like a statement to me.

The Government may be aware of the threat to the acquired brain injury education service in Evesham, which helps the rehabilitation of stroke victims, in particular, and other brain injury victims. The threat has been caused by the changing priorities of the Learning and Skills Council in relation to adult education. Will the relevant Minister talk to the Further Education Minister to satisfy themselves that the unit is either truly just an education service or actually, as it used to be, co-funded by the Department for Health and the education Department?

The Minister of State, Department of Health (Gillian Merron): I am advised that Worcestershire primary care trust is looking at NHS-funded services for people with acquired brain injuries, and it is the PCT's responsibility to commission services to meet the needs of the population. The trust has had an increase over two years of some £83.8 million and given a public commitment to ensure that the services that the acquired brain injury unit provides will be considered as part of the review. I certainly take the point that educational opportunities are an important part of the rehabilitation process.

T3. [324931] **Hazel Blears** (Salford) (Lab): Last Friday in Salford we opened the Humphrey Booth resource centre, which is a national demonstration project for those with dementia and Alzheimer's. It is an uplifting and inspiring place, so in developing the national care service will my hon. Friend ensure that such services

are absolutely driven and shaped by users and carers? That is how we will secure services that really meet the needs of people with complex conditions such as Alzheimer's and dementia.

The Minister of State, Department of Health (Phil Hope): My right hon. Friend is right to applaud the work of agencies such as those in her constituency. There are many others like that throughout the country, and our job in creating a national care service is to ensure that we design and develop services with not only users but carers at the very heart of how we respond to people's needs. The new national care service will be free for people when they need it, and we will support families, carers and communities as a basic principle of the way in which a new national care service delivers help for people throughout the country.

Several hon. Members *rose—*

Mr. Speaker: Order. We have a lot to get through in topical questions, so the exchanges need to be very short and sharp.

Mr. Andrew Lansley (South Cambridgeshire) (Con): Why did the Secretary of State not make an oral statement? Will he now rule out a death tax to pay for the Government's national care service—yes or no?

Andy Burnham: We are debating the Personal Care at Home Bill later today, on a crowded parliamentary day, and we will have the opportunity to debate it as the first stage in our three-stage reform plan to fund social care. We will propose for social care a system that is similar to the rest of the welfare state—organised on a population basis, whereby everyone makes a contribution and everyone has a choice about how they make that contribution. We will establish a commission to advise the Government on those payment options, and the commission will be able to consider all options.

T5. [324933] **Dr. Doug Naysmith** (Bristol, North-West) (Lab/Co-op): I know that the Secretary of State is aware that there are two separate electronic surveillance systems for tuberculosis in England: one for London, one for the rest of the country. Does he agree that it would be more sensible to have one system for the whole country, enabling more effective control and treatment of that troublingly persistent disease, and, perhaps, a national treatment plan, as in many other countries?

Gillian Merron: I agree, and a new national system will be up and running early next year.

Norman Lamb (North Norfolk) (LD): The Princess Royal Trust for Carers and Crossroads Care have revealed that for the next financial year PCTs have allocated to carers only 26 per cent. of the £100 million intended for respite care. Is not the Government's promise of respite care, followed by a total failure to deliver that care, tantamount to a fraud on some very vulnerable people? Surely it is now time to give a guaranteed right to a week's break for the 1 million carers who work the longest hours.

Andy Burnham: This Government recognised the need to support carers better when we came into office in 1997. Before then, the recognition of, and support for, carers was absolutely pitiful. Ever since then, the Government have invested £1.7 billion through the carer's grant to support carers, and locally people can allocate that funding flexibly. However, the hon. Gentleman is right to say that we allocated further spending to PCTs so that they could provide respite care for carers. The Minister of State, Department of Health, my hon. Friend the Member for Corby (Phil Hope) has asked strategic health authorities to identify the level at which PCTs use that funding, so that we can take further action where sufficient priority is not being given to spending resources on respite care for carers.

T10. [324938] **Lynne Jones** (Birmingham, Selly Oak) (Lab): According to the Government's excellent carers strategy, the provision of accurate and timely information is vital for carers, yet according to Rethink, the mental health charity, 33 per cent. of mental health carers do not receive basic information such as the diagnosis of the person they are caring for, and only 20 per cent. of trusts have information-sharing policies. What action will the Government take to remedy this deficiency?

Phil Hope: I know that my hon. Friend takes a keen and active interest in issues surrounding support for mental health service users and has campaigned on these issues for many years. I would like to make it clear that we do believe that service users should be fully informed about and engaged with arrangements for their own care. That is why the Department issued revised care programme approach guidelines as recently as 2008. Under those guidelines, each mental health service user should have, wherever possible, an opportunity to be actively involved in agreeing their treatment plans with their care co-ordinator. That would allow patients some say in determining what information is then made available about their condition to other parties, including carers and family members.

Mr. Speaker: These exchanges are taking too long: I want to get lots more colleagues in.

T2. [324930] **James Duddridge** (Rochford and Southend, East) (Con): Southend primary care trust relatively recently merged into South East Essex primary care trust, and there are now discussions—I think abortive—about merging into Mid Essex primary care trust. If this does go ahead in order to make efficiency gains, how will we ensure accountability between local government and larger NHS trusts?

The Minister of State, Department of Health (Mr. Mike O'Brien): We need to ensure that PCTs and trusts are accountable to local people—that is the whole basis on which we have introduced the system of decentralisation in the NHS. Improving the quality of that accountability is therefore crucial. If we have learned anything from the Mid Staffordshire debacle, it is that trusts need to be in contact with local people.

Mr. Kevin Barron (Rother Valley) (Lab): May I welcome the Government's announcement on setting up a national care commission to look into fair funding of social care in this country? Will one of the remits of the commission

be to reach a consensus, as recommended by the Health Committee's report on social care published on 12 March?

Phil Hope: We are delighted that we have the White Paper, "Building the National Care Service", which will be a landmark in this country's development of services for people in need of care and support, adults with disabilities, and older people. I congratulate my right hon. Friend on the Select Committee's report which was a helpful contribution to the debate. I am pleased to say that the national care commission will look at how we can find a fair way to give people a choice about making their contribution to ensuring that, in future, care will be free when people need it.

T4. [324932] **Mr. Peter Bone** (Wellingborough) (Con): I have been campaigning on behalf of Zach, a little boy in my constituency who has a rare, and very nasty, form of cancer. Life-saving treatment is available in other parts of the world, but not available here. However, thanks to the efforts of the Under-Secretary of State for Health, the hon. Member for Brentford and Isleworth (Ann Keen), who has cut through red tape, that treatment is now available. Does the hon. Lady know how much Zach's parents appreciate that?

The Parliamentary Under-Secretary of State for Health (Ann Keen): This is teamwork. We have worked together with Great Ormond Street hospital, the researchers, and the hon. Gentleman, and when we work together in this House, we get results. We all wish Zach, and his mum and dad, the very best.

Tony Lloyd (Manchester, Central) (Lab): Do my hon. Friends recognise that in a constituency such as mine, the advent of a national care service will be greeted with enormous enthusiasm? However, do they understand the fears that if this were done on the basis of a voluntary insurance principle, it would exclude the poorest people and it would not be a national care service?

Andy Burnham: The reform of social care will work only if the peace of mind and the ability to protect savings and homes is available to everybody, whatever their income. The problem with the voluntary system of insurance proposed by the Conservatives is that as take-up of voluntary schemes is generally low, the cost is very high, so it would be out of the reach of my hon. Friend's constituents and my constituents. That is why we are proposing a bold reform, in the best traditions of Labour, for a comprehensive national care service.

Mr. Nigel Evans (Ribble Valley) (Con): I agree with the Minister that health trusts should listen to the people. Will he tell that to the health trust that covers Clitheroe? Some £12 million was made available for a new community hospital, which the health trust stalled last year. The decision should have been made last week but it has now stalled it until September. The people want the hospital. When will the health trust listen?

Mr. Mike O'Brien: Of course health trusts need to listen to people and ensure that they make local decisions to manage health provision effectively, based on delivering quality care to people and ensuring that it is done at a reasonable cost to the taxpayer.

Mr. Lindsay Hoyle (Chorley) (Lab): We welcome the £50 million that is being given to PCTs for carers, but how much of it has now been spent and what benefits came to central Lancashire?

Phil Hope: The extra money that the Government put into primary care trusts for providing respite care and other services is part of £256 million of extra resources being made available not only through PCTs but through work that we are doing nationally. At local level, we are asking every PCT to account for money spent on support for carers, and that will include the PCTs in my hon. Friend's area.

T6. [324934] **Sandra Gidley** (Romsey) (LD): The chief executive of Southampton University Hospitals NHS Trust is currently briefing staff on challenges facing the NHS. The briefing note states that

"we are currently looking at reducing our workforce by approximately 400 posts during 2010/11 and a further 200 posts in 2011/12."

There are no guarantees that those will be administrative posts. Is that what is meant by protecting front-line services?

Mr. Mike O'Brien: I hear what the hon. Lady says as far as Southampton is concerned. It is important that health trusts manage their budgets, but it is also important that they prioritise the quality of care for patients and ensure that patient safety comes first. I understand that in last night's debate, the hon. Lady's party's Treasury spokesman said that he would not guarantee funds for the NHS.

Mr. David Drew (Stroud) (Lab/Co-op): What plans do Ministers have for increasing expenditure on children's and young people's mental health? I know that the Government have rescued the child and adolescent mental health service, but it appears that demand is still far exceeding supply and a lot more has to be done.

Phil Hope: I share my hon. Friend's concern that young people with mental problems get the support that they need in a way that is appropriate to their needs. If we can provide more support for children who have mental health problems, we can do a great deal to prevent young people from becoming adults with mental health problems, thereby relieving pressure on adult mental health services as well. We undertook a review of the child and adolescent mental health service and are currently implementing the recommendations.

Dr. Richard Taylor (Wyre Forest) (Ind): Will the Secretary of State promote the benefits and safety of midwife-led birth centres distant from consultant obstetric units when they have the right escalation and admission protocols?

Andy Burnham: I will indeed, and that is why I said to my right hon. Friend the Member for Salford (Hazel Blears) a moment ago that we would support such midwife-led units when they are what local people want. What we will not do is undermine clinically led change. The Opposition have said that they would put doctors in control in the NHS, and they go to marginal seats around the country opposing clinically led change, which is quite scandalous as far as I am concerned.

T7. [324935] **Michael Fabricant** (Lichfield) (Con): Earlier, the Under-Secretary told me in answer to my question that 54,758 assaults were made against NHS staff last year. I nipped out of the Chamber and have just found out that there were only 941 cautions or convictions last year. Is that any deterrent to prevent people from assaulting staff?

Ann Keen: As I said earlier, it is not for us in the health service to prosecute; it is for the Crown Prosecution Service. It is for us to provide all the evidence, and that is what we always do and will always continue to do.

T8. [324936] **Angela Watkinson** (Upminster) (Con): The Government's anti-smoking strategy was successful because it used robust messages designed to change people's behaviour. Does the Minister agree that had a similar attitude been used in the Government's teenage pregnancy strategy which failed, the outcomes might have been better?

Gillian Merron: We continue to see a reduction in teenage unwanted pregnancy, and the changes in the curriculum will make a big difference. We continue the work, which is not just about messaging. There is no one thing that will work, but our "Contraception: worth talking about" campaign helps, and the support given to young men and women across the country to enhance their self-esteem will also make a big difference.

Mr. Tim Boswell (Daventry) (Con): After 20 years of trying, we now have progress on the reprovision of Brackley college hospital, of which it happens my wife is a trustee. Yet unfortunately, the Government's proposed route for High Speed 2 virtually bisects the proposed site. Will the Minister have a word with his colleagues in the Department for Transport? I do not wish to subvert the railway proposal, because that is a separate issue, but could he ensure that if it proceeds, there is proper reprovision of the college hospital on an alternative site?

Mr. Mike O'Brien: As far as high-speed rail is concerned, we certainly need to ensure that there is proper local consultation and that local communities' concerns are fully considered in respect of any route. If there are impacts on public provision, as the hon. Gentleman describes, we need also to ensure that alternative provision is in place so that there is no lack of services for local people.

T9. [324937] **Tony Baldry** (Banbury) (Con): Is the Secretary of State aware that one issue will unite every parliamentary candidate in the Banbury constituency at the forthcoming general election: the retention of consultant-led children's and maternity services at the Horton hospital, and ensuring that it remains a general hospital?

Andy Burnham: I enjoyed immensely my recent visit to the Horton, and I pay tribute to the hon. Gentleman and all the local campaigners whom I met—indeed, the campaign spans the political divide. I was hugely impressed by what I saw. I know how much the Horton means to people in Banbury, and it is well located close to the M40. I hope that the review of services that has been going on at the Horton is concluded soon and that it can move forward into the future with confidence.

Drug Classification

3.36 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD) *(Urgent Question)*: To ask the Secretary of State for the Home Department if he will make a statement on what plans he has to classify any drugs under the Misuse of Drugs Act 1971.

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): Following the receipt of advice from the Advisory Council on the Misuse of Drugs, my right hon. Friend the Home Secretary has laid a draft order today for Parliament to approve his proposal to control mephedrone and other cathinone derivatives. The chair of the advisory council, Professor Les Iversen, has made it clear to my right hon. Friend that the harms that those drugs undertake justify control under the Misuse of Drugs Act 1971 as class B drugs.

The harms associated with those drugs include hallucinations, blood circulation problems, rashes, anxiety, paranoia, fits and delusions, and they have been linked to a number of deaths. Given the risks to public health, there is strong cross-party support for getting those measures through Parliament, and we hope that the draft order can come into effect as soon as possible, on 16 April 2010.

My right hon. Friend the Home Secretary has rightly waited for the advice from independent expert advisers. The council has provided its assessment of the harms of those drugs having undertaken a full assessment and having reviewed their status through the examination of their use, pharmacology, physical and societal harms. Based on the advisory council's advice and very much in keeping with our approach for the control of synthetic substances, we are also introducing generic legislation that will capture the family of related compounds and other derivatives as well as mephedrone. We have seen a number of those already, but our controls are also aimed at future trends to stop organised criminals and dealers tweaking substances to get around the law.

In addition, the Government are taking immediate action to control mephedrone's availability and to reduce its harm, first by banning importation and, secondly, by targeting head shops. Thirdly, we are informing young people through the FRANK campaign. Fourthly, we are warning suppliers and, fifthly, we are issuing health warnings and a health alert through public health warning systems. The House will have a further opportunity to discuss that draft order shortly, which is subject to the affirmative resolution procedure, and I commend it to the House.

Dr. Harris: If the ACMD has advised that mephedrone and other cathinones be regulated as a class B drug, I support that recommendation, but does the Minister believe that he or his colleague the Home Secretary are compliant with the newly published principles for the treatment of independent scientific advice, which the Government published last week? They state that the Government must give adequate consideration time for published advice, but the ACMD report has not even been published and the Government have announced legislation. If the Home Secretary received a verbal report yesterday from the ACMD chair, why was it not available at the same time to the media, since the public have a right to know, and indeed to Members of this House? Further, why was there no statement or written ministerial statement today, and why did it take an urgent question to bring the Minister to the House to make this announcement?

May I ask whether, beyond classification, the report contains any other recommendations to which the Minister will respond, and when does he intend to respond to them? Given that it was the actions of the Home Secretary that led to the resignation of six of the scientific members of the council—undoubtedly delaying the work of the council and resulting in its not being legally constituted at the time that this advice was given—how can the Minister be certain that the regulations that he is now laying are in order, cannot be challenged and will deal with the problem that we both agree exists?

Mr. Hanson: My right hon. Friend has taken the right decision, and that is the key issue for the House today. He has taken that decision on the basis of advice from the advisory council. He received a verbal report from Professor Iversen yesterday afternoon and a report in writing will be presented to the House before consideration of the orders, which I hope will be next week.

This is not a new issue. My right hon. Friend the Member for Redditch (Jacqui Smith), when Home Secretary, was aware of this matter in March last year, and she discussed action on it with the advisory council, which commissioned some work. I wish to kill stone-dead the suggestion that the action by my right hon. Friend the Home Secretary in relation to the sacking of Professor Nutt has delayed publication of the report. The intention was always to produce a report for the meeting of the council on 29 March, and that report was delivered verbally to my right hon. Friend yesterday. He has taken the view that it was of sufficient importance and urgency to take urgent action, so he has laid an order and I hope that the House will in due course support it.

James Brokenshire (Hornchurch) (Con): The tragic cases of those who are thought to have died as a consequence of taking mephedrone have highlighted the dangers of the drug. As many as 25 deaths have been linked to it. We welcome yesterday's recommendation by the ACMD that mephedrone should be classified.

However, the Government need to explain why they reacted so late in the day to the dangers of mephedrone and the connected group of drugs. In a letter to the Home Secretary on 22 December, Professor Les Iversen, the chairman of the ACMD, said:

> "The ACMD explained in a previous letter to you that it has concerns about the apparent prevalence and potential harms of these compounds."

If the Government's own specialist advisers had concerns months ago, why did the Home Secretary not take action then? Just when did he first know of those concerns?

The Home Secretary's relationship with the ACMD and the resignations of several members have been highlighted as a cause of delay in dealing with the classification of mephedrone, and previously it was suggested that it would be dealt with in the early part of the year. At the last Home Office questions, the Home Secretary rejected the suggestion that this delayed the

process by six months. Just how long was consideration extended as a result of the depleted membership of the ACMD and the Home Secretary's inept handling of the resignation of David Nutt?

Looking forward, does the Minister agree that it is time to introduce a new, temporary classification, as we propose, to provide a means to respond more quickly to emerging new psychoactive substances while enabling specialist input to be provided? Classification should not be seen in isolation. The Government's drugs advice line, FRANK, was initially slow to provide advice on mephedrone because it was not a controlled substance. What systems have been put in place to address that in the future, and more generally what public health campaigns do the Government envisage having on the classification of mephedrone and the message that because a drug is legal does not make it safe?

Mr. Hanson: The answer to the hon. Gentleman's initial question is similar to the one that I gave to the hon. Member for Oxford, West and Abingdon (Dr. Harris), in that as there is a process, that process must be followed. That is done so that we ensure that we do not ban substances that could have a legitimate use, but on the basis of medical advice in accordance with the legal basis for an order. Had I taken the advice of the hon. Member for Hornchurch (James Brokenshire), I would have been criticised even more by the hon. Member for Oxford, West and Abingdon for rushing the matter through. We have to do things in accordance with the process that has been set up by my right hon. Friend the Home Secretary and the previous Home Secretary. The matter has been the subject of much consideration and was not delayed by Professor Nutt's resignation. We had a full complement of existing members, who considered this matter and gave their advice. That was relayed verbally to my right hon. Friend yesterday, and he has taken a decision accordingly for debate.

The hon. Gentleman also mentioned what steps we need to take to ensure that this ban is understood widely and that advice is given. In my statement, I indicated that we are placing facts about the use of mephedrone on the FRANK website and we will be distributing a new fact card on the drug so that potential users and suppliers are aware of the ban. The ban will, if approved by both Houses, lead to a potential 14-year maximum jail penalty. We are also issuing health warnings through the public health system. The associated discussions around this order, my right hon. Friend's statement yesterday and the action that we are taking should raise awareness of the dangers of the drug—if they had not been raised already—and show that the Government have taken action on this drug based on legally constituted advice.

Chris Huhne (Eastleigh) (LD): The Liberal Democrats certainly welcome the Government's intention to classify mephedrone, but the Advisory Council on the Misuse of Drugs started looking at the drug a year ago. The Home Secretary must surely accept that, if it were not for his meddling in the work of the ACMD and the subsequent resignation of, among others, Dr. Les King—not any old ACMD member, but the person chairing the council's working group on mephedrone—this harmful and possibly fatal substance could have been banned months ago.

Now that Dr. Polly Taylor has also resigned from the ACMD, can the Minister be confident that any ban that he imposes has been, or can be, reached in a lawful manner, and that it will not be subject to challenge in the courts? Finally, can he draw any other lessons from this episode, such as, for example, the need to introduce a pending category, ahead of the full deliberation, of the sort that exists—I understand—in New Zealand and Sweden?

Mr. Hanson: First, Dr. Taylor's resignation has had no material effect on yesterday's decision, which we believe is legally accountable and enforceable, and which, when approved by both Houses, will be operational. Dr. Taylor had the opportunity to contribute to the decision, as part of the council, and will have played her part accordingly.

Professor Nutt's resignation has also—

Chris Huhne: What about Dr. King's resignation?

Mr. Hanson: Professor Nutt's resignation, and indeed Dr. King's and those of other members, have not had a material effect on the consideration of these issues. These matters have been considered by the ACMD, and yesterday, for the first time, it presented a recommendation to the Home Secretary, and my right hon. Friend accepted it. I believe that that was the right decision and one that this House should accept, and rather than looking over the trails of resignations, the hon. Gentleman should support the decision and look at how we implement and, indeed, enforce it.

Several hon. Members *rose—*

Mr. Speaker: Order. A lot of colleagues wish to contribute. I am keen to accommodate them, but time is precious. We have an important debate to follow, in which many people wish to take part, so pithy exchanges are the order of the day.

Keith Vaz (Leicester, East) (Lab): May I welcome the Minister's statement and the decision that has been taken? It is absolutely in keeping with the wishes of the Home Affairs Select Committee—we wrote to him last week on this matter. Party politics aside, however, the fact is that this has taken a very long time. As he just said, the former Home Secretary was alerted to the matter in March 2009. Since then, a number of young people have died, including three teenagers and one young person in the past 10 days. Can we please look at this process, from the time of referral to the time of decision, so that it is as speedy as possible? After all, this drug has been banned in Denmark and Sweden already.

Mr. Hanson: I am grateful to my right hon. Friend and his Committee for their consideration of these matters. In answer both to him, and to the third point made by the hon. Member for Eastleigh (Chris Huhne), we have considered a possible pending category, but again we must ensure that we have a legal basis for such a decision, and that it does not ultimately impact on any possible legal use for a particular product that could fall into that pending category. We must also determine whether a pending category would lead to confusion about the use of a particular product awaiting a decision.

[Mr. Hanson]

We must examine those issues in the round. We have looked at this issue, we have waited for the decision of the advisory council, and I believe that the decision has been effective. We accepted that verbal decision, and within a couple of hours of receiving it, we acted to place an order before the House. We will publish the report in due course, and I hope that that will satisfy the House as a whole.

Mr. David Burrowes (Enfield, Southgate) (Con): The Minister says that cross-party support is required for the classification of mephedrone to be implemented before Dissolution. He will know that my party has given its unambiguous support for what he says, but can he indicate what discussions he has had with the Liberal Democrats, and, given the different strands of their opinion, will he say whether they support early action or whether they think that action should be delayed, as the hon. Member for Oxford, West and Abingdon (Dr. Harris) indicated yesterday?

Mr. Hanson: I hope that we shall be able to pass both orders through both Houses before Dissolution, which could still happen well into early May for all we know, so there will be every opportunity to consider them. My right hon. Friend the Home Secretary spoke to the hon. Members for Epsom and Ewell (Chris Grayling) and for Eastleigh yesterday evening about his decision and has received full support for it, which has been reflected in the House today. I hope that the orders will achieve early passage.

John Mann (Bassetlaw) (Lab): The Tories and Liberals are both now nicking my ideas. Considering that the ACMD has never had a majority of scientists on it and considering that new compounds and synthetic drugs—legal highs—are now liable to be created all the time in laboratories, does the Minister agree that one of the priorities of the next Parliament will have to be to update the Misuse of Drugs Act 1971 in full?

Mr. Hanson: I am grateful to my hon. Friend for his suggestion. He has been a sturdy campaigner against drugs in his constituency and throughout the country at large. My right hon. Friend the Home Secretary keeps all such matters under review, and we will certainly examine all suggestions for ensuring that we have effective measures in place to protect the British public against illegal drugs that cause death and injury, but which, with the support of this House, will ultimately be banned, so that people will be protected.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): I entirely agree with the Minister that due process is important, for all the obvious reasons, but it has taken quite a long time to ban mephedrone. Will he look again at the legislation to see whether the statutory procedures mean that the process takes too long and whether we should review the process with a view to introducing interim orders?

Mr. Hanson: I appreciate the right hon. and learned Gentleman's view on this matter. As I have said previously, we are trying to ensure that we proceed in a way that not only is legally sound and based on evidence, but ensures that we take the right decision for the benefit of protecting the British people from these dangerous drugs. That unfortunately means that, on occasion, we have to take some time to achieve those objectives. However, we will certainly look at whether there are lessons to be learned, because the bottom line for the House is about protecting people from injury and from drugs that are used by people to make money for themselves and exploit our citizens.

Dr. Brian Iddon (Bolton, South-East) (Lab): As the principal psychoactive ingredients of the natural product khat are cathinones, will the proposed order also criminalise those who use khat?

Mr. Hanson: If I may, I might have to write to my hon. Friend about that in due course. I know that the order covers generic legislation relating to the control of a number of synthetic substances, and it will look at related compounds, including cathinone derivatives. However, I shall have to reflect in due course on whether the particular item that my hon. Friend mentioned is covered.

Mr. Nigel Evans (Ribble Valley) (Con): In the light of the number of young people who have died through the use of mephedrone and the number of families who have been destroyed because of the loss of their loved ones, please can the Government look again at the processes, because this drug could surely have been controlled a lot earlier? Let me also thank the Minister for completely ignoring the advice of David Nutt. We already know from what he has said previously about cannabis, totally ignoring the mental disorders caused by its constant use, that he is totally out of touch with the people of this country.

Mr. Hanson: As I have said, the purpose of the process is to ensure that we do things legally and as speedily as possible, but that we do them on medical advice. We will certainly reflect on that, and my right hon. Friend the Home Secretary will examine those issues. The circumstances of the resignation of Professor Nutt—

Dr. Harris: The sacking.

Mr. Hanson—are such that Ministers minister and advisers advise. That is the principal policy on this issue.

Having reflected very carefully on the point that my hon. Friend the Member for Bolton, South-East (Dr. Iddon) raised, I can categorically state that khat will not be covered by the order.

Greg Mulholland (Leeds, North-West) (LD): I welcome this announcement, although I share the concerns expressed by my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) about the way in which the decision was taken. Will the Minister pass on the Government's advice to the police, schools and student unions in my area? This substance is available in schools at the moment, and leaflets openly advertising the drug for sale are being delivered all round the Headingley and Hyde Park areas. In the interim period, what is the advice on how to stop this unlicensed selling?

Mr. Hanson: As I said in my statement, the banning of importation with immediate effect will mean that the UK Border Agency will be able to seize and destroy shipments of mephedrone at the border. That is the starting point in cutting off supply. We are also giving health warnings to public health departments, to the police and to other health services, as well as through the FRANK website. We are also distributing a new fact card immediately. The Minister for Schools and Learners has written to all head teachers about this. In the event of the orders being enacted, the severe penalty of 14 years in prison for the supply of these drugs will be introduced, and the police will be able to enforce it accordingly.

Mr. David Jones (Clwyd, West) (Con): The great majority of online financial transactions for the sale and purchase of mephedrone are processed by a Canadian company called AlertPay. Pending the classification of this drug, will the Minister undertake to alert the Canadian authorities to the involvement of AlertPay in this grubby and dangerous trade?

Mr. Hanson: I will certainly look at that issue and take advice accordingly from our colleagues on the practicalities involved. It is self-evident that our intention is to stop the supply of this product in the United Kingdom, and we will therefore use all legal means to do so, once the orders are approved.

John Mason (Glasgow, East) (SNP): The Minister mentioned future trends. It seems to be the way things work in society that the use of these drugs becomes more widespread much more quickly these days. Is it not inevitable, therefore, that our processes also need to become quicker?

Mr. Hanson: I have already said that we will look at the pace of activity governing the matter's consideration. The key point is that we needed to take this action based on evidence, and I am sure that the House would have criticised us had we not done so. Evidence takes time to accumulate, and it needs to be assessed. We also needed to look into the implications of the decision before we took it. We obviously had to look at how we should process the evidence in this case, but I believe that the right decision has been taken, and I hope that the House will support it.

Dr. William McCrea (South Antrim) (DUP): I wholeheartedly welcome the Minister's statement today. Many lives have been blighted and many homes wrecked by these drugs. Can he assure us that, when this becomes law, the police will rigorously and vigorously take action right across the United Kingdom?

Mr. Hanson: I support the hon. Gentleman's contention, and I know how hard he has worked with the Police Service of Northern Ireland to tackle the issue of drugs in his own constituency. When legislation is passed, it is important that the police enforce it. The supply of these illegal drugs will carry severe penalties, and the new legislation will be enforced by the police, should both Houses approve it. I hope that, before Dissolution, the power will be given to the police in Northern Ireland and elsewhere in the United Kingdom to execute the orders effectively.

Mr. William Cash (Stone) (Con): As one who has called for the banning of this drug for some time, I ask the Minister to accept that we all welcome his statement. However, the sane voice of Professor Iversen on the "Today" programme this morning suggested that a great deal of internecine warfare had been going on behind the scenes. That is an additional reason for ensuring that procedures such as these are speeded up. Unfortunately, it looks as though some people might have died unnecessarily.

Mr. Hanson: I hope that the hon. Gentleman will accept my assurance that there was no delay due to the challenges that we faced in relation to the advisory council over the past few months. This decision was expected at the end of March, and it has been delivered to my right hon. Friend the Secretary of State at the end of March. He has taken his decision urgently, based on that advice, and the order was tabled as soon as was practicable after the receipt of that advice in order to expedite the outcome that the hon. Gentleman wishes to see.

Bob Spink (Castle Point) (Ind): Will the Minister make it clear in relation to any new, unclassified drugs that suppliers will not be able to hide behind descriptions such as "plant food" or terms such as "not for human consumption", because those terms do not give suppliers protection under the Medicines Act 1968? Will he assure the House that those suppliers will always be prosecuted to the full extent?

Mr. Hanson: Again, we have to look at the potential legal use of products, which is part of the advisory council's role. In the case of mephedrone, there is no legal use, so those descriptions are misleading. If the orders are approved, the police will act in a strong and effective way to ensure that we stop the supply.

Points of Order

4 pm

Mr. David Drew (Stroud) (Lab/Co-op): On a point of order, Mr. Speaker. Business questions has been dominated over recent weeks by the question of what progress is likely to be made on private Members' Bills. The Leader of the House has said on a number of occasions that she intends to progress these Bills. Will you use your good offices to ensure that that happens? Will you ask the Leader of the House to make a statement on how that can be done?

Mr. Speaker: If I understand the hon. Gentleman correctly, he is concerned about time. I understand that concern and I have listened carefully to what he had to say. He will, however, understand that I cannot make predictions about the near future: I take matters a day at a time, which seems to me to be a prudent way to proceed. He will also understand that the provision of time is not in the hands of the Chair, but in those of the Government, with whose representatives, I feel sure, he will have the necessary serious and earnest conversations. He has put his concerns on the record and I hope he is moderately satisfied.

Mr. Andrew Robathan (Blaby) (Con): On a point of order, Mr. Speaker. You may recall that on 22 March, the Leader of the House made a statement about lobbying. I specifically asked her about meetings and undue influence involving Charlie Whelan, who is the top political officer of Unite and who is alleged to have an office in No. 10 Downing street. The Leader of the House said:

"I will have to write to the hon. Gentleman about the situation in relation to the Prime Minister's diary."—[*Official Report*, 22 March 2010; Vol. 508, c. 35.]

This very day I have received a letter from the Deputy Leader of the House, which says absolutely nothing about the Prime Minister's diary, nor about Charlie Whelan, nor about any meetings or undue influence that he might have with the Prime Minister. Sir, would it be possible to ask the Leader of the House to come back and answer this question when she is fully briefed or could the Deputy Leader of the House get the Leader of the House to write to tell me whether Charlie Whelan has met the Prime Minister about Unite in the recent past?

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order. My response is as follows. The Leader of the House is responsible for the content of her answers. I am saddened if the hon. Gentleman is saddened or dissatisfied by the content of the answer, but the responsibility lies with the Leader of the House. The hon. Gentleman is an observant fellow—he would have to be to be the deputy Chief Whip on the Opposition Benches—so he will have noted that the Deputy Leader of the House is present and that she will have heard what he had to say. The hon. Gentleman has served in the House, I think, for 18 years next month. If I did not know him as well as I do, I would have thought that through this attempted point of order, he was seeking to draw me into a debate. Because I know him as well as I do, I know that he would not engage in misbehaviour of that kind.

Several hon. Members *rose—*

Mr. Speaker: I call Mr. Andrew Gwynne and I welcome him back after his indisposition.

Andrew Gwynne (Denton and Reddish) (Lab): Thank you, Mr. Speaker. Further to the point of order by my hon. Friend the Member for Stroud (Mr. Drew), given that the amendments to the Debt Relief (Developing Countries) Bill have been withdrawn—sadly, I could not be present in the Chamber for its proceedings—will you use your good offices to ensure that the Bill remains on the Order Paper next week, without the amendments?

Mr. Speaker: I have already ruled on this matter in response to earlier points of order. I understand the very real frustration that the hon. Gentleman, his hon. Friend the Member for Northampton, North (Ms Keeble) and others feel on this matter. He has registered that concern with his usual force and eloquence. Unfortunately, however, the questions of whether it remains on the Order Paper, of whether it is or is not reached and of whether it does or does not reach the statute book is a matter for others. I am grateful to the hon. Gentleman for seeking to boost my powers, but they are at present limited.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): On a point of order, Mr. Speaker. In the response to the urgent question that we have just heard, the Minister for Policing, Crime and Counter-Terrorism said twice that Professor David Nutt had resigned. What is the best way in which to give the Minister a chance to correct the record if he inadvertently misled the House? When we talk about civil servants or distinguished public servants in the House, we need to be accurate. Professor Nutt's treatment was highly contentious, and he was sacked. He did not resign.

Mr. Speaker: The hon. Gentleman is continuing the debate. He is committing precisely the sin that I knew the hon. Member for Blaby (Mr. Robathan) would not commit.

The hon. Gentleman, who is a perspicacious fellow, asked me what was the best method of putting the record straight, as he sees it. He has just done exactly that. He is now gesticulating from a sedentary position. It is true that the Minister has not responded, but the hon. Gentleman has put his point fairly and squarely on the record.

If the appetite of right hon. and hon. Members for raising points of order has now been exhausted, perhaps we can proceed to the next business.

BILL PRESENTED

Tax and Financial Transparency Bill

Presentation and First Reading (Standing Order No. 57)

Mr. David Drew presented a Bill to require the Secretary of State to take steps to obtain tax information from British Overseas Territories and Crown Dependencies; to require banks, corporations and trusts to provide tax information; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 23 April, and to be printed (Bill 101).

Control of Dogs

Motion for leave to introduce a Bill (Standing Order No. 23)

4.6 pm

Martin Linton (Battersea) (Lab): I beg to move,

That leave be given to bring in a Bill to require dog-owners to have their dogs micro-chipped; to set a minimum age for dog ownership; to give courts powers to ban households from dog ownership; to require local authorities to provide kennelling for stray dogs and to nominate responsible officers for dog control; to extend the provisions of the Dangerous Dogs Act 1991 to private property; to empower the police and local authorities to issue dog control notices; to give police support officers powers to enforce byelaws relating to dogs; to require owners of breeding dogs to be accredited; to set minimum standards for accredited dog breeders; to give local authorities powers to enter premises used for dog breeding; to regulate access to dog ownership data; and for connected purposes.

Notwithstanding its title, the Bill is less about the control of dogs than about the control of dog owners. This is a problem that many of my hon. Friends have already raised in the House, some by means of private Members' Bills. I think we can all agree that it is the fault not of the dogs themselves but of their owners, many of whom are too young to take on the responsibility of owning and training a dog.

I do not believe that there is such a thing as a dog that is inherently vicious. If a dog is given tender loving care and training from a young age, it can be gentle.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): Bow wow!

Martin Linton: Perhaps not my hon. Friend's dog.

Not all people want a gentle dog, however. Some train them to fight or be vicious to warn people off, and sometimes to help them to commit crimes. Others simply do not know how to train or look after them. For many such people, dogs are a weapon. As the penalties for possession of guns and knives have become tougher, they have turned to dogs. Indeed, they prefer them in some ways. It is not necessary to hide them, for instance. As with guns and knives, they set off a chain reaction: other people buy dogs to protect themselves, but they in turn are seen as possible aggressors by others who then buy dogs to defend themselves.

The present legislation on dogs is a jumble. Many prosecutions are brought under obsolete Victorian legislation such as the Metropolitan Police Act 1839, which makes it an offence to have a ferocious dog unmuzzled in a public place but also makes it an offence to fire a cannon close to a dwelling house. Fewer prosecutions are brought under the more recent Dangerous Dogs Act 1991. I think we have all come to realise that breed-specific legislation is a mistake. It costs the police more than £1 million a year to kennel dogs so that they can be examined by experts to establish whether they belong to a banned breed, a fact that is largely irrelevant to the danger that they pose.

I commend the Minister of State, Department for Environment, Food and Rural Affairs, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), and the Secretary of State on recognising the need to sweep away this patchwork of legislation and bring in a modern law to deal with today's problems. My hon. Friend visited Battersea Dogs and Cats home with me recently, and listened carefully to the advice given there. I do not think he would be wrong to see my Bill as a shopping list of things that we would like to see in a comprehensive Control of Dogs Bill, including most of the options on which he is consulting and a few more besides.

At the top of the list is microchipping. More than 40 per cent. of dogs are microchipped and are on the pet log database. My local authority, Wandsworth, microchips the dogs of all tenants. Battersea dogs home automatically does it to all dogs for £15. A law is required, however, to make it compulsory for all dogs in public places—although I do not think it need apply to farm dogs or sheep dogs—and also for owners to have to update the database when they move or transfer ownership. That would make it possible to set a minimum age for dog ownership. Battersea dogs home will re-home a dog only to somebody over 18, or 21 for a bull breed or guarding dog, which I think is a pretty good guide. The courts can already ban someone from dog ownership, but, in practice, people just transfer ownership to other members of their household. Therefore, a power to ban a household from keeping a dog is needed.

Since responsibility for strays was passed from the police to local authorities in April, it has become apparent that many local authorities have no kennelling at all. The Clean Neighbourhoods and Environment Act 2005 made some important reforms, but it was a mistake for it to say that local authorities need provide kennelling only "where practicable". Those are weasel words and the law needs to require them to provide that.

My council has a dog officer, Mark Callis, and six wardens who do a very good job, but even they cannot cope with the amount of work. Many other boroughs cannot cope—indeed, many of them do not have a dog warden at all. We must place an obligation on councils to have dog control officers.

Dangerous dogs are a huge issue in my constituency. People queue up to sign our petition and to support the campaign run on this issue by the *Wandsworth and Putney Guardian*. Dog fouling is the only issue that eclipses dangerous dogs and it should certainly be an equally prominent aim of this Bill to increase the powers of dog wardens and police community support officers to deal with dog fouling. In particular, PCSOs should have the power to enforce byelaws on the offence.

In Battersea and other areas there has been a rapid increase in demand for Staffordshire bull terriers and cross breeds. As the registered breeders have been unable to keep up with demand, some people have started breeding them in their front rooms and selling them on the internet and in pubs. A casual glance at internet sites such as Gumtree will reveal that cross-breed puppies are for sale for about £200, with the seller contactable via a mobile phone number, no address given. I know nothing about these individual breeders, of course, and some will, perhaps, be good while others will be bad, but what I do know is that many of these puppies end up as aggressive and unsocialised dogs abandoned after two years and left at Battersea dogs home, often in a pitiable state.

Even if the professional breeders will bridle at any official accreditation scheme, I think they will recognise that the problems are being caused by back-street breeders who are running front-room puppy farms. Safe in the

[Martin Linton]

knowledge that no one has the right to inspect, they are often operated without the provision of exercise, training or decent sanitation. If puppies are to be sold, local authorities need to have the power to enter premises used for dog breeding, and there must be set minimum standards of space, hygiene, exercise and training. In order to achieve that, the owners of breeding dogs need to be accredited. That does not need to be complicated—it could be as simple as a phone call to the town hall—but we must have some such scheme. It would be best if accreditation was done through the breed societies and the Kennel Club, and if the microchip database was left in the ownership of PetLog and the other organisations that currently run that, but in any case this requirement clearly needs to be backed by law.

I again commend the Government on their consultation paper, and I urge them to carry out a comprehensive reform and to consolidate all the legislation in a single Act. I hope my Bill will serve to point the way.

Question put and agreed to.

Ordered,

That Martin Linton, Lynda Waltho, Ms Angela C. Smith, Frank Cook, Bob Russell, Mr. Andrew Dismore, Dr. Brian Iddon, Harry Cohen, Ms Diane Abbott, Chris McCafferty, Jim Sheridan and Norman Baker present the Bill.

Martin Linton accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 23 April and to be printed (Bill 99).

Ways and Means

Budget Resolutions and Economic Situation

AMENDMENT OF THE LAW

Debate resumed (Order, 24 March).

Question again proposed,

That—

(1) It is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance.

(2) This Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation,

(b) for refunding an amount of tax,

(c) for any relief, other than a relief that—

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.

4.16 pm

The Secretary of State for Children, Schools and Families (Ed Balls): It is a great honour to be invited to open this final day of the Budget debate and to set out the steps we are taking in my Department to support families and public services. I was disappointed to discover, just five minutes ago, that the shadow Education Secretary will not be replying to this debate after all, but may I say how pleased I am that the reply will instead be made by the right hon. and learned Member for Rushcliffe (Mr. Clarke), the shadow Business Secretary, who is someone of long experience? As a former Chancellor, Health Secretary and Education Secretary, he will know all about the dilemmas of making the sums add up and protecting front-line services—or not. I can think of nobody better to guide me, the House and the shadow Education Secretary on some of the choices before our country.

John Mann (Bassetlaw) (Lab): Before my right hon. Friend moves on, I am sure that he will wish to recognise that the right hon. and learned Member for Rushcliffe is also wonderfully positioned to demonstrate what the Tory party in government is like at the moment, because his and my local county council has been cutting care homes and cutting services to the elderly in just the past few weeks. Indeed, I have with me a petition with the names of 1,500 people who are protesting about its actions.

Ed Balls: My hon. Friend is right about that. However, to give the right hon. and learned Gentleman some credit, I should say that he was responsible for cutting VAT as Chancellor of the Exchequer. His predecessor tried to raise VAT on fuel and that was defeated in this place by votes from those on this side of the House, so he then had the opportunity to reverse that shift in VAT. That marks him out in contrast with pretty much every other Conservative Chancellor, as they tended to raise VAT. I shall not dwell on that comparison for the moment.

Mr. Alex Salmond (Banff and Buchan) (SNP) *rose—*

Ed Balls: It is very nice to see the right hon. Gentleman in the House, and I shall give way to him once I have made a little progress.

The Chancellor's Budget sets out the choices we are making to secure Britain's future. The first one is to secure the recovery and promote growth and jobs while halving the deficit steadily over the next four years. The second is to match pay and spending restraint in lower priority areas with fair tax increases—the new top rate of tax, the bankers' bonus tax and the national insurance rise. Everyone will make a contribution, but 60 per cent. of the extra taxes will come from the richest 5 per cent. of the population. The third is that alongside detailed proposals for savings of £11 billion in every Government Department, including my own, action will be taken to protect front-line services, such as the police, schools and hospitals, which families need and which play such a vital role in our country.

Mr. William Cash (Stone) (Con) *rose—*

Ed Balls: I shall give way in a moment, but I wish to make this point. The Chancellor considered proposals to cut the deficit faster and with deeper and immediate cuts, but concluded that such action would throw people out of work, threaten the recovery and lead to more debt, not less. He also rejected deeply unfair plans to cut child tax credits from middle income families and to cut child trust funds too while promising an inheritance tax cut that would benefit millionaires to the tune of hundreds of thousands of pounds. He concluded that to refuse to go ahead with the national insurance rise from next April and instead put all the burden of deficit reduction on cutting spending would require deep and savage cuts across all our public services, including our children's centres, colleges and schools. To take the road of drastic and immediate cuts in front-line services and family benefits would be reckless and unfair, and that is not this Government's choice.

I want to set out the detail of how my Department will be affected by Budget and pre-Budget report decisions, but I shall first give way to the hon. Member for Stone (Mr. Cash). If the right hon. Member for Banff and Buchan (Mr. Salmond) has had time to learn about what is in the Budget, he will probably have thought of his intervention as well.

Mr. Cash: About two weeks ago, I asked a question about the record of the Labour county council in Staffordshire on education—specifically on the extent of A grades and on general conduct since then as compared with what is going on in the rest of the country. Unfortunately, the relevant Minister replied that he was not able to give me that information. Will the Secretary of State be good enough to accelerate the provision of that information and ensure that I get it before Dissolution?

Ed Balls: I am happy to do just that. I will make sure that the hon. Gentleman gets the information he requests. I also point out to him that the schools in his county are currently in the Building Schools for the Future programme but have not yet reached financial close. I am sure that he will be informing his constituents in his election leaflets about the very real risks to the building of schools in his constituency if they vote for him in the forthcoming general election.

Mr. Salmond: May I go back to the right hon. and learned Member for Rushcliffe (Mr. Clarke)? If I remember correctly, he had the misfortune of being the Health Secretary and then the Education Secretary under Margaret Thatcher. The Chancellor of the Exchequer has accepted that the cuts envisaged by this Government will be deeper and tougher than Margaret Thatcher's, so how, given that the Education Secretary is now stranded in his Department, is the Education Secretary going to reconcile that position any better than the right hon. and learned Gentleman did?

Ed Balls: The right hon. Gentleman is a student of economics and will have studied that period in great detail. I have looked at the record of that period and it is true that capital spending under the Thatcher Government was very low and stayed very low indeed throughout the entire period of her government. That is why schools were leaking, hospitals were not built and train tracks were not working. It is also true—this might have been because of the persuasion of the right hon. and learned Member for Rushcliffe; I shall come back to the hon. Member for Surrey Heath (Michael Gove) in a moment—that the education and health budgets rose during that period. However, Margaret Thatcher broke the link between pensions and earnings, froze child benefit and raised VAT from 8 to 15 per cent. within weeks of coming into office. It was all that, plus the high interest rates, that led to high and mass unemployment and devastation for millions of families. I must say that the policies of cutting benefits for families, cutting support for pensioners and, potentially, raising VAT for families to make up for a budget hole all sound rather familiar.

Mr. Kenneth Clarke (Rushcliffe) (Con): I hasten to interrupt the series of references to me and the rather inaccurate wanderings down memory lane. Could we get to where we are now? Has the Secretary of State come here to agree with the Chancellor of the Exchequer that the Government, if re-elected, would make cuts in public spending deeper and tougher than those made by Margaret Thatcher's Government? Does he accept that statement? If so, will he go on to explain how that will affect his Department and others?

Ed Balls: I am very happy to set out the details of exactly what I am going to be doing in my budget. That is what my speech will be about. The interesting thing about the early years of the Thatcher Government is not that they cut education spending; indeed, education spending rose. What they did do, however, was raise VAT from 8 to 15 per cent. to make up a budget hole, have interest rates in double figures for many years, break the link between pensions and earnings, and freeze child benefit. There was a doubling of child poverty in those 18 years. What if we have a Conservative Government again? Rising VAT, cuts to family benefits, rising poverty, and pensioners getting a raw deal—that is exactly the prospectus on offer from the Conservative party.

Mr. John Hayes (South Holland and The Deepings) (Con): Will the Secretary of State confirm a very straightforward fact—that the growth of gross domestic product was at its greatest in the first three years of this Government? At that time, it was constrained by a fiscal regime inherited from my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), but it has waivered since then.

Ed Balls: I think that the hon. Gentleman will find that we had a decade of stability, with low interest rates and low inflation, because of the great leadership and prescience of an independent Bank of England. That was opposed by the right hon. and learned Member for Rushcliffe (Mr. Clarke), who said that Bank of England independence was a mistake and should not have been introduced. I expect that he has recanted now, but he can set the record straight when he speaks. He can probably tell us his views on VAT, the winter fuel allowance and free bus travel as well, although I think that he was contradicted fairly quickly by the Leader of the Opposition when he gave his views on those matters a week or so ago.

Ms Sally Keeble (Northampton, North) (Lab): I very much welcome my right hon. Friend's commitment to protect the schools budget. In the course of his speech, will he explain how the extra £6 billion in cuts advocated by the Opposition would impact on it?

Ed Balls: I will turn to that very subject now. I hope that I can give some comfort—

Mr. Simon Burns (West Chelmsford) (Con): Will the Secretary of State give way?

Ed Balls: No, I will not. I hope that I can give some comfort to my hon. Friend the Member for Northampton, North (Ms Keeble) about our plans, after which I shall set out the opposing choice. After that, I shall be very happy to give way, but I want to make some progress first.

The pre-Budget report and the Budget set out how, consistent with reducing the deficit steadily, we can maintain and in fact increase spending in our priority areas. For my Department, the Budget confirmed a real-terms rise in funding of 0.72 per cent. a year in 2011-2012 and 2012-13 for Sure Start, 16-to-19 education and schools, which account for around 75 per cent. of my overall budget.

Teachers' pensions make up a further 17 per cent., of my budget, but I am not proposing to touch them at all. That leaves 8 per cent. of my budget unprotected, money that covers programmes such as short breaks for disabled children, sport, music and looked-after children, as well as funding for our non-departmental Government bodies.

I have committed to finding £500 million of savings from that 8 per cent. unprotected portion of my budget. That is a 7 per cent. cut on £5 billion worth of savings in 2012-13, and—unlike the shadow Chancellor, let alone the shadow Education Secretary—I have also identified where those savings will be made.

So far, I have set out £300 million of savings in my Department. The £135 million that will come from non-departmental Government bodies will include £45 million from cutting funding to Becta, and £55 million from the Training and Development Agency for Schools. Also, £100 million will come from ending start-up funding for extended services, while £50 million can be saved by scaling back bursaries for initial teacher training, given that we now have a flow of new teachers coming through. A further £21 million will be saved in communications and back-office functions.

That all adds up to £300 million in savings, but I still have to find a further £200 million. That will be hard, but I am determined to do so without cutting into front-line spending programmes such as the support for music and sports, and for looked-after and disabled children.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): The right hon. Gentleman said a moment ago that teachers' pensions were part of his budget. Will he confirm that teachers' pension contributions are funded not from his budget but directly from the Treasury?

Ed Balls: A total of 13 per cent. of my budget covers pensions. The document that the Government published a few days ago showed our overall spending, and it includes a footnote making it clear that pension contributions are part of our departmental expenditure limit. I included pensions in the description of my budget because the shadow Education Secretary always includes them when he explains how easy it would be to find cuts. He always refers to our £60 billion-plus budget, so—*[Interruption.]* But if they are not in my budget, I have to say to the shadow Business Secretary that they are not available for the shadow Education Secretary to cut. That is the point. If only the shadow Education Secretary were here, he could set the record straight. Unfortunately, however, he is not here.

Mr. Burns: Will the right hon. Gentleman give way?

Ed Balls: I said that I would take an intervention, and I will do so in a moment.

I shall explain what I have protected. The settlement in the protected 75 per cent. of my budget is for Sure Start funding to rise in line with inflation, which will mean that we will meet our commitment to having 3,500 children's centres, or one in every community. For 16-to-19 learning, there will be a 0.9 per cent. real-terms rise, year on year, in 2011-12 and 2012-13, which means that we can pay for our guarantee—for every school leaver, a school, college or apprenticeship place for the next three years.

Finally, for schools, there is a real-terms overall rise in funding of 0.7 per cent., which, combined with efficiency savings, will mean that schools can meet their front-line cost pressures. After paying for 80,000 projected extra pupils, per pupil funding on our plans will rise, on average, in cash terms, by 2.1 per cent. in 2011-12 and 2012-13, on top of 4.3 per cent. in the coming financial years.

That is a tougher settlement than we have been used to, but the per pupil rise in cash terms—2.1 per cent.—is a real-terms rise in budget. It is more than our projected cost pressures, as we set out in the document. It means that we can deliver our guarantees of one-to-one tuition to every child who falls behind. It means that we can keep additional teachers and support staff in the classroom. It means that we can continue to invest in Building Schools for the Future. These are guarantees to the public from this Government, in legislation and based on rising budgets for Sure Start, school leavers and schools—guarantees not matched by the Conservative party, for reasons I shall explain.

Several hon. Members *rose*—

Ed Balls: I give way to the right hon. and learned Member for Rushcliffe.

Mr. Clarke: I am grateful to the right hon. Gentleman. May I refer him to page 90 of the Red Book and paragraph 6.16? Referring to the Secretary of State's Department, the last sentence of that paragraph says:

"Taken together, this amounts to a total of £1.1 billion of education frontline efficiencies to be delivered by 2012".

With great respect, he has just given the most muddled and confused description of where any of that money is coming from, and he has wound up announcing a cash increase that is less than inflation, so it is a real-terms cut. As he has conceded that education spending rose under the Thatcher Government because of our choice of priorities, does he agree that this is indeed tougher and deeper than anything the Thatcher Government ever did?

Ed Balls: No. It is not fair to the shadow Business Secretary: why should he be here answering on the details of education policy when he does not know the facts? The £1.1 billion of efficiency savings are efficiency savings within the overall schools budget, which are being recycled from the back office in schools to the front line in schools. They are not reductions in school budgets; they are recycled efficiencies within the overall budget. The only reductions in budget that I have agreed to are the—*[Interruption.]* I will finish the point. I do not think that the right hon. and learned Gentleman should intervene from a sedentary position. He is much more experienced in the rules of the House than I am, and he knows that he has to intervene if he has something to say.

I have a half a billion pound cut, and I have told the House how I am finding £300 million of that. The £1 billion of efficiency savings are going back to the schools, not being taken away from them. Schools are seeing their funding rising per pupil in cash terms by 2.1 per cent. a year. And when we add in 80,000 extra places, we have made it clear in the document "School Funding 2010-13"—the right hon. and learned Gentleman will not have read it; why should he?—that projected cost pressures are 1.6 per cent. in schools over that period. That is a real-terms rise; it is not a real-terms cut. It is a real-terms rise compared to inflation as well. We are raising spending, and I shall come in a moment to what the choice is after taking an intervention from the hon. Member for West Chelmsford (Mr. Burns).

Mr. Burns: I am extremely grateful to the right hon. Gentleman for giving way. Despite all the waffle and the meanderings we are getting, will he now, so that we can put his speech in its proper context, answer the original question put to him by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) about the Chancellor's comments on cuts and the Thatcher Government?

Ed Balls: I did answer it, but I will say it again. When we came to government in 1997, the schools capital building programme was about £700 million, and today it is £7.8 billion. That is how we have managed to rebuild and refurbish 4,000 secondary schools. Over that 18 years, schools capital was decimated. Schools' current spending, as I said, rose in the early part of the Thatcher Government. There were cuts in '85 and cuts in '89. I have to say that the biggest spending cuts did not occur under the Thatcher Government; they occurred under the Major-Clarke Government between 1992 and 1997. What happened with the Thatcher Government was not spending cuts. Let us not forget that they had North sea oil revenues, which they were squandering. VAT was up to 15 per cent., the link with pensions was broken, child benefit was frozen and child poverty doubled. If my constituents are wondering whether they want to go back to a Conservative Government, when they look at that record they will say no, no, no.

Mr. Brian Binley (Northampton, South) (Con): The Secretary of State is moving at an amazing speed and sometimes it is a little difficult to keep up with his flow of words. He intimated that he favoured the increase in the higher rate of income tax. He thought it was a good idea—at least, that is the impression I got. Will he therefore recommend to the Chancellor that he should keep that as a permanent increase?

Ed Balls: That is a matter for the Chancellor of the Exchequer, not for me. I am not going to start telling the Chancellor what his tax policy should be. I will not say, "Cut national insurance," when there are not the cuts to pay for it, and when I know in my heart that we will end up raising VAT to pay for it, which is what the shadow Chancellor proposes. I am not going to start telling the Chancellor what to do in future on tax policy. But when the country is faced with a pre-Budget report from the Chancellor of the Exchequer, my right hon. Friend the Member for Edinburgh, South-West (Mr. Darling), or from the Chancellor of the Exchequer, the hon. Member for Tatton (Mr. Osborne), I know which Chancellor the British people will choose.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that many of the Conservative Members who usually come to the Chamber when education is being discussed do not seem to be here today, including the Front-Bench education spokesman? It is no wonder that the shadow Business Secretary seems unable to keep up with the momentum of my right hon. Friend's speech. Is it not a fact that there is good news on the education budget, excellent news on children's centres and Sure Start, and excellent news on the protection of looked-after children? Will he just clarify one point? Are there sufficient resources for raising the age of participation to 17 and then 18?

Ed Balls: My hon. Friend has a strong track record of contributing to education debates. I have to say it is rather good to have a different crowd in. I will try not to speak too quickly. I will try to talk a little slower for the benefit of the hon. Member for Northampton, South (Mr. Binley).

In 1997, we had leaking roofs, photocopied text books, demoralised teachers, two thirds of children not making the grade, and more than half our schools not at our basic performance benchmark. Now, we have 4,000 schools rebuilt, funding per pupil doubled, 42,000 more teachers, 120,000 more teaching assistants, half of pupils making the grade, not a third, and not half of schools not making the grade, but fewer than one in 12. That is a Labour record of investment and reform that we are truly proud of.

The commitments that we are making to rising funding in the years ahead mean that, yes, we can pay for our one-to-one guarantee; yes, we will continue with Building

[Ed Balls]

Schools for the Future; and, yes, we will continue with Sure Start children's centres in every community. We will not be cutting Sure Start children's centres as the Conservative party proposes, because, as my hon. Friend's Select Committee report said, what a retrograde step that would be for children and the future of our country. That is not something that people will see from a Labour Government.

Miss Anne McIntosh (Vale of York) (Con): The Conservative party will not abolish Sure Start, and I wish that the right hon. Gentleman would take this opportunity to correct that for the record. Will he give the House an assurance today that pupils in North Yorkshire, and particularly in the Vale of York, receive as much per capita funding as those in his own constituency?

Ed Balls: The hon. Lady is a contributor to our education debates, so she will have studied in detail the consultation on the future of the dedicated schools grant. We are looking to ensure that we reflect rurality, deprivation, need and per pupil funding. I hope to make some progress. My constituency is in one of the F40 areas as well, so I understand the issues that she raises. I want to come on to the funding of education now on the basis of a different approach.

I must say to the hon. Lady that, as I understand it, the Opposition do not propose to abolish Sure Start, but if the shadow Chief Secretary to the Treasury would like to stand up today and say that the Conservative party will match my commitment to rising budgets in cash terms and in line with inflation for Sure Start this year, next year and the year after, he is very welcome to do so. However, he is not going to, because unfortunately Sure Start is not in the protected areas—health and international development—that the shadow Chancellor set out.

The Leader of the Opposition says that he wants Sure Start to be only for the poorest communities, and two years ago the Opposition said that they wanted a £200 million cut to the Sure Start budget. That sends a message to parents throughout the country, and it sends a chill down their spine. That is why we will continue to highlight it.

Let me move on.

Mr. John Baron (Billericay) (Con) *rose—*

Mr. Gordon Prentice (Pendle) (Lab) *rose—*

Ed Balls: I shall give way in a second.

I should like to set out in more detail our policy on Sure Start, on 16-to-19 funding and on schools, but before I do so I must say that there is a choice about different priorities and the different ways in which we fund things. This Budget has at its heart different choices, and to be fair to the Opposition they have been setting out their very different choices in recent days. If the shadow Education Secretary were here, I would not ask him to match me on schools spending or on pupil guarantees. I know that that is difficult for him, because he has different priorities. There are also problems that he has to face, and I understand his dilemma, which I shall explain to the shadow Business Secretary. He could answer and guide the shadow Education Secretary on how he should navigate those complexities.

First, the shadow Education Secretary has a free schools policy, which will be on all the leaflets of all Opposition Members, so it will be good for them to hear about the detail of it. The extra places in that policy will cost about £1.8 billion over the next Parliament—from within the schools budget or from my unprotected £5 billion. It will also lead to shifting about £4 billion from the Building Schools for the Future budget to pay for the new free schools.

Secondly, the shadow Education Secretary proposes to find about £2 billion to £3 billion, we think, for a new national pupil premium. Hon. Members—other than those who are experts on schools funding—may not know that, because they may not have followed the detail. As far as I have worked out, if the hon. Gentleman is to pay for the free schools policy and the national pupil premium, either he has to cut my unprotected budgets, which include those for sports, music, disabled children, short breaks—

Mr. Philip Hammond: They're not yours, by the way.

Ed Balls: My Department's budgets.

The shadow Education Secretary will have to cut either those budgets by about 50 per cent. or the schools budget. That was his dilemma before, and that is why up to now he has not been willing to match me on the school leaver's guarantee. He cannot make that guarantee. He has not matched me on Sure Start children's centres; he will not match me on the schools budget; and the Opposition voted against the one-to-one tuition guarantees in our recent Children, Schools and Families Bill.

Now, however, the hon. Gentleman faces an extra complexity, as the shadow Chief Secretary to the Treasury will know: unfortunately, the shadow Education Secretary has been asked to contribute to the £6 billion of extra savings, which were announced yesterday, to pay for the national insurance tax freeze. The Institute for Fiscal Studies, as I am sure the shadow Chief Secretary knows, calculates that that would involve a 2.8 per cent. cut for unprotected Departments. That would mean cutting a further £1.7 billion a year from the Sure Start, schools and children's budgets—were the Conservatives to be elected. As I said, it is no wonder the shadow Education Secretary cannot match our pledges.

Mr. Hammond: As the right hon. Gentleman has studied our announcement yesterday in such detail, has he calculated the saving to the schools budget from the reduction in employers' national insurance contributions that we announced?

Ed Balls: I have just calculated that the hon. Member for Surrey Heath, the shadow Education Secretary, who is not here, will have to find £1.8 billion over a Parliament to pay for the free schools policy: £2 billion to £3 billion a year to pay for the national pupil premium; and £1.7 billion a year to make his contribution to the shadow Chief Secretary's spending cuts. So I am afraid that that massively outweighs not only the national insurance rebate for employers, but the whole £5 billion budget that, for me, is unprotected. There is no way the hon. Member for Surrey Heath can pay for those measures other than by making deep cuts to the schools budgets: fewer teachers, fewer teaching assistants and larger class sizes.

The thing that baffles me is why education has been singled out in that way. Why has education not been given priority, alongside health and international development? Perhaps the shadow Business Secretary will give us some guidance, because it is very puzzling to those of us who follow education debates. Why is the hon. Member for Surrey Heath, a member of the Notting Hill set and the guy who does the role play for Prime Minister's questions, being unfairly treated in that way?

Mr. Kenneth Clarke: First, let me point out that when the Secretary of State started attributing what he thought our policies meant for the education budget, he attributed to the shadow Department things that have not been attributed to it at all out of yesterday's announcement. Secondly, he missed the point my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) made about the savings that would be made by the reduction in national insurance contributions—about 0.5 per cent. of the total pay bill. I cannot produce that figure off the cuff—my hon. Friend might be able to do so. The Secretary of State probably can, if he can sort it out from the other figures.

Ed Balls: I cannot do the detail of the shadow Education Secretary's sums for him—nor can Carol Vorderman. However, the overall gap in his budget—£1.8 billion over the course of a Parliament, £1.7 billion to find the savings cuts to contribute to the £6 billion, and, we think, £2 billion to £3 billion to pay for the pupil premium—is more than the entire amount of money from the employers' national insurance rise. The idea that just the rebate to schools would pay for those cuts is unrealistic. There is no way to fund the cuts that education would have to contribute other than by cuts in the numbers of teachers and teaching assistants, bigger class sizes, and cuts to the Sure Start budget.

If the hon. Member for Surrey Heath were here, we could ask him to answer these questions, but he is not. If he were here, we could have said to him, "Will you guarantee to match us on Sure Start, on schools and on 16 to 19-year-olds?", but he cannot do that. It is not just that he cannot do it today—at every stage in the Budget debates—*[Interruption.]* I am happy to inform the junior shadow Minister, the hon. Member for Hammersmith and Fulham (Mr. Hands)—I do not know whether he is the shadow Economic Secretary or Financial Secretary; I apologise—about the Budget debates. Last year's Budget debate was opened by me, as well. I think that on that occasion the shadow Education Secretary did turn up, unlike today.

Mr. Baron: The Secretary of State talks about help for poorer communities, but does he not accept that the freezing of personal allowances will hit the lowest paid the hardest?

Ed Balls: The freezing of personal allowances, which was announced in the pre-Budget report, is part of a package of tax rises to reduce the deficit, which also includes the bankers' bonus and the national insurance rise. As I said, everybody makes a contribution, but the more well-off people in our society make a bigger contribution. That has been set out very clearly. I do not hear Opposition Front Benchers saying that they are going to reverse the decision on personal allowances—perhaps they can clarify that in the debate—but they are trying to freeze the national insurance rise, which they would pay for by making cuts to children's centres, schools and apprenticeships while they spent £1.5 billion-plus on a cut in inheritance tax that would go only to millionaires. It is absolutely shocking.

Mr. Hayes *rose—*

Ed Balls: I gave way to the hon. Gentleman once before, so I will carry on.

I have been trying to work out why the education spokesperson has had such a raw deal. It could have been because of the critical comments he has made in the past about the shadow Business Secretary, although given that so many people on the Conservative Front Bench have done that, it would be unfair to single out the shadow Education Secretary. It may be because of what he wrote a few years ago in his column in *The Times*:

"the Tories, fatally, foolishly, put all their eggs in the Belize basket. They secured the short-term comfort of Mr Ashcroft's tax-sheltered millions, but have paid the price in credibility forgone"

wise words from the shadow Education Secretary, one would have to say. He went on to say—and this is the problem:

"Mr Hague certainly has a well-developed sense of humour…You certainly do not emerge strengthened as an opponent of cronyism by expending what credibility you have acting as the paid lobbyist for your own title-hungry Treasurer."

That is what the hon. Member for Surrey Heath wrote a few years ago; perhaps that is why he has been singled out.

On the other hand, there may be some hope. Lord Ashcroft has already sponsored an academy in Wandsworth, so perhaps he is going to pay for the free-market schools policy as well, although we can just imagine the curriculum—not so much financial education as tax avoidance education; not school trips but extended overseas trips, not book clubs but beach clubs, not the Swedish model but the Belize model, excellence for the few paid for by cuts—

Madam Deputy Speaker (Sylvia Heal): Order. I am quite sure that the Secretary of State is now going to concentrate on aspects of the Budget relating to public services.

Ed Balls: The reason why this is relevant to the Budget debate is that our Chancellor and our Prime Minister have set out a steady reduction in the deficit, not reckless cuts now that would put public services and jobs at risk. They have a balanced approach of fair tax rises combined with some spending restraint, and they included it in the Budget in a way that has protected schools, children's centres and 16-to-19 funding as well as the police and the NHS. To try to reverse the national insurance rise next year by cutting spending on schools and children's centres this year would be barmy economics. It would lead to fewer jobs, more unemployment and rising debt. It would be a perverse and misguided Budget strategy. That is why coming along and explaining the implications of the Budget for education, Sure Start and 16-to-19 apprenticeships and college places is well worth while.

Miss McIntosh: On a point of order, Madam Deputy Speaker. Perhaps there is no reason for the Secretary of State to know this, but I am an honorary graduate of

[Miss McIntosh]

Anglia Ruskin university, as is my noble Friend Lord Ashcroft, who also funds a business school at the university. On a point of information, the right hon. Gentleman ought to know that fact. *[Interruption.]*

Madam Deputy Speaker: Order. I am well capable of determining whether or not that is a point of order. The hon. Lady herself has indicated that it was really a point of information, so there is no need whatever for me to comment on it. Let the debate continue.

Ed Balls: Whether it was a point of order or a point of information, I am not sure that I really got the point. I am happy to take another intervention from the hon. Lady, and if she could explain her point in a little more detail, I will try to answer it.

Miss McIntosh: I am most grateful to the right hon. Gentleman. Is he aware that the business school at Anglia Ruskin university is funded by the noble Lord to whom he referred, whose reputation I believe he was trying to besmirch?

Ed Balls: I was in no way trying to besmirch his reputation. I fear that it is the shadow Foreign Secretary's reputation that has been besmirched by the hon. Member for Surrey Heath rather than that of Lord Ashcroft. To be fair to Lord Ashcroft, he is sponsoring an academy, and he may well end up paying for the free schools policy as well. He is certainly paying for the Conservative party's election campaign—all credit to him.

Madam Deputy Speaker: Order. Can we now get back to the debate on the Budget?

Mr. Sheerman: *rose—*

Ed Balls: I am happy to take an intervention from my hon. Friend.

Mr. Sheerman: I spoke last Thursday at that very business school, the Ashcroft school of business at Anglia Ruskin university, and I can tell my right hon. Friend—

Madam Deputy Speaker: Order. I have already made a ruling, and there is no need for that debate to continue. The ruling was that we must get on with the debate before us, which is the fourth day of the Budget debate.

Mr. Sheerman: I am tying that to the Budget because—

Madam Deputy Speaker: Order. I call the Secretary of State.

Ed Balls: I will say only that we announced today that 15 more academies are now moving forward through their funding agreements. We now have more than 55 universities sponsoring academies, and if Lord Ashcroft would like to sponsor an academy through his university, I would be very grateful indeed to receive the resources. The fact that they would now come not from non-dom money but from proper tax-paid money would be very welcome.

Mr. Denis MacShane (Rotherham) (Lab): My point is about a very modest element of public expenditure. I met three constituents last week, Mr. Kevin Lomas, Miss Sarah Johnson and Rachel Hughes, all of whom—*[Interruption.]* They all—*[Interruption.]* They all—*[Interruption.]*

Madam Deputy Speaker: Order. Is the hon. Gentleman making an intervention? Please continue.

Mr. MacShane: I am trying to! They all have autistic children, which Opposition Members seem to find funny, and they cannot get a statement. Is there any way we can encourage more statements and more individual support for our autistic children? I hope that that is a reasonable intervention, Madam Deputy Speaker.

Ed Balls: My right hon. Friend is a well known campaigner on that matter. I must inform him that this morning, I did a video for TreeHouse, which has a special school in north London for children with autism, about its "talk about autism" campaign. Talking about autism is very important. If we were to start cutting the budgets beyond the £500 million that I have committed to, it would be support for children with special educational needs that was at risk, so I welcome my right hon. Friend's intervention.

Lembit Öpik (Montgomeryshire) (LD): The Secretary of State has been talking about 16-to-19 funding, and he may or may not be aware that in my constituency, the local authority is seeking to merge the sixth forms of the six high schools in an effort to save money. Does he have a view on the dangers of ripping out sixth forms to save money, potentially at the cost of education in those rural communities?

Ed Balls: I do not want to see anybody ripping out educational provision in a haphazard and random way; to do so, or to have a free market in schools policy whereby one rips schools from one community to give to another, is also very dangerous. The right thing to do is to ensure that we plan education provision for 14 to 19-year-olds properly across an area. I would be very happy to look at that matter in greater detail.

Let me conclude, because we have gone on for some time.

Annette Brooke (Mid-Dorset and North Poole) (LD): Will the Secretary of State give way?

Ed Balls: Okay.

Annette Brooke: On that very point—I need to declare an interest in that my daughter teaches at this school—the local Tory authority is proposing to take £8 million away from the primary capital programme for a school in a deprived area and to put it with the £1 million that the Government have generously given to provide 150 extra primary places elsewhere. Will the Secretary of State investigate that?

Ed Balls: Members of the House who are regulars at Children, Schools and Families questions will know that it is my habit to offer meetings with the Minister for Schools and Learners to discuss any difficult issues. He tells me that he was already planning such a meeting to discuss pupil place planning with the hon. Lady, and I will ensure that that is expedited to ensure that she and he do not miss their chance.

To conclude, to be fair to him, the shadow Chief Secretary told us this last Wednesday: "Unlike Labour, we have protected the whole of the NHS budget and the overseas aid budget." When I asked, "What about schools?" he said, "We have not ring-fenced the schools budget; we have ring-fenced the NHS budget and the overseas aid budget." The fact that the schools budget is not ring-fenced means that it is a prime target now, so if the Conservatives get their way, we might see cuts in teachers and teaching assistants, larger class sizes, and fewer children's centres and apprenticeships. We will not take that drastic road of cutting front-line spending and family benefits. That would be reckless and unfair, and it would lead to higher debt, more unemployment and—if history is a guide—another Tory hike in VAT.

We will cut the deficit steadily and put growth and jobs first; we will match public spending restraint with fair tax increases; and we will protect the police, the NHS, and Sure Start, college and schools budgets so that every child can succeed, and I commend this Budget to the House.

Mr. Patrick McLoughlin (West Derbyshire) (Con): On a point of order, Madam Deputy Speaker. This is the final day of the Budget debate, which is usually wound up by the Chief Secretary and the shadow Chief Secretary, but the former is not in the Chamber, and he has not been here for the whole of the opening speech. Is it likely that he will not catch your eye, Madam Deputy Speaker, come the winding-up speeches?

Mr. MacShane: Is that a point of order?

Madam Deputy Speaker: Order. The right hon. Member for West Derbyshire (Mr. McLoughlin) is correct. It is certainly usual to see in the Chamber—the occupant of the Chair would expect this—the people who are making the winding-up speeches on behalf of both the Government and the Opposition. Clearly, if those Members are not present, it is entirely their responsibility as far as the House is concerned, but it would be usual to see them in their places now.

4.59 pm

Mr. Kenneth Clarke (Rushcliffe) (Con): Thank you for your ruling on that point of order, Madam Deputy Speaker. The debate was opened by the Children, Schools and Families Secretary, who plainly came here thinking that this was a debate about education and schools policy; and it is supposed to be wound up by a Treasury Minister, who so far has not appeared. That is obviously not the main point of the debate, and I shall try to avoid it. However, I am one of the minority of senior Members who is not retiring at the coming election—if my constituents are prepared to consent—and in all my years in the House of Commons I do not remember a single debate on Government business in which the Minister who proposed to wind up failed to turn up. Perhaps the Chief Secretary intends to come after his dinner or his coffee break.

Ed Balls *rose*—

Mr. Clarke: I will give way in a moment, because there may be an explanation and I am prepared to listen to it. As the Government have belatedly come to pretend, after 13 years, that they are a reforming Government and are taking an interest in constitutional reform—and as in my experience the present Prime Minister, like the previous one, regards the House of Commons as a somewhat inconvenient press conference that Ministers would rather not attend—can the Secretary of State tell us whether this is an instance of changing custom and that the Government intend that Ministers should attend only to make their speeches and should not have to listen to or participate in the debate to which they are replying?

Ed Balls: I do not know the answer, but we will get an answer as soon as possible. It is possible that the Chief Secretary is meeting the hon. Member for Surrey Heath (Michael Gove).

Mr. Clarke: There may be a reasonable explanation, but I shall not take more time from the debate on the Budget to labour the point too far. However, it is a serious point. It is ridiculous if, on the last day of the Budget debate, the Treasury has decided not to send a Minister—

Several hon. Members *rose*—

Madam Deputy Speaker: Order. The right hon. and learned Gentleman has not indicated that he will give way. Members must contain themselves.

Mr. Clarke: I shall give way to my hon. Friend the Member for Gainsborough (Mr. Leigh).

Mr. Edward Leigh (Gainsborough) (Con): Does my right hon. and learned Friend recall that in our early years in Parliament Ministers were very courteous? They always made a point of trying to respond to points made even by Opposition Members. Regrettably in recent years that custom seems to have gone out of fashion. Perhaps the Chief Secretary is not here because he has no intention of winding up in a traditional way by responding to points made in the debate.

Mr. Clarke: It could be that he is trying to think what to say, because there is not much in the Budget to talk about.

Mr. Baron: Perhaps the Chief Secretary's absence could be explained by the fact that he is preparing the cuts.

Mr. Clarke: He may be trying to prepare a rather clearer explanation of the cuts than has just been given by the Secretary of State. I welcome appearing opposite him—

Mr. Salmond: I was with the Chief Secretary on Thursday night on "Question Time", so perhaps I can give an alternative explanation. On that programme, he said that the cuts being proposed by this Government would go deeper and further than those made by Margaret Thatcher. Perhaps the Chief Secretary did not want to listen to the Secretary of State deny that point, or perhaps he is locked in a dialogue with the Chancellor to work out the position.

Mr. Clarke: It is more likely that Charlie Whelan is trying to deal with the problem if there is some discrepancy in what the Chief Secretary says in public. I trust that the Secretary of State is playing no part in whatever is being done to re-educate the Chief Secretary. I normally have a very good relationship with the Secretary of State—we come from the same part of the world—and I would have been happy to go down memory lane and debate schools and education with him had I known that the Government intended to try to turn the last day of the Budget debate into such a debate.

I knew that the Secretary of State would take part in the Budget debate, as he did last year. He often does, but that is because he thinks that he should take part in all Budget debates. I commiserate with the right hon. Gentleman on that front, because events have moved on even in the last week or two. He has concealed today what must be his deep and bitter disappointment, because he was beside himself with rage when he was not made Chancellor of the Exchequer last year. For some unknown reason, the Prime Minister has just announced that our current interim Chancellor might be reappointed in the unlikely event of the Government being re-elected.

So, with patience, the right hon. Gentleman has to hold himself in exile at the Department for Children, Schools and Families, waiting for what he always believed would be his inheritance—to be Chancellor of the Exchequer. I am sure that he is dying to deliver and explain the Budget, given that, I strongly suspect, he had quite a large input into it—as he has had a considerable input into economic policy ever since he first emerged in opposition as the acolyte of the Prime Minister. We all remember with wonder that amazing speech on neoclassical endogenous growth theory—*[Interruption.]* Post-neoclassical!

Ed Balls: Will the right hon. and learned Gentleman give way?

Mr. Clarke: He should give it again; we are waiting for the finer details.

Ed Balls: It is important to set the record straight, Madam Deputy Speaker. It was actually post-neoclassical—not neoclassical—endogenous growth theory. The words in draft were written by me. I cut them from the speech, but then a figure more senior than me wrote in the margin, "Put the theory back in!" and that is how it ended up in the speech.

Madam Deputy Speaker: Order. As interesting and entertaining as this dialogue has been, it is important that we now return to the fourth day of the Budget debate.

Mr. Clarke: I shall obey your strictures, Madam Deputy Speaker.

It is difficult to get back to the Budget. We are debating the Budget—the last serious business of this Parliament before we break up—but it was not so much a Budget as a holding statement. In the middle of a serious economic crisis—certainly the gravest financial crisis that anybody can remember—the Chancellor delivered a Budget that was almost totally devoid of content, which certainly did not answer the only serious question, and which made no significant changes to tax, except for one or two that I shall touch upon.

I cannot help commenting on something in passing: I heard the Children, Schools and Families Secretary say, when asked about tax, that he was not going to give any advice to the Chancellor of the Exchequer on tax levels—although the next time he mentioned it, he did at least say, "in future". On behalf of the present Chancellor of the Exchequer, I would like to ask for that in writing, in case it has not been recorded in *Hansard*, because we know who was responsible for the national insurance increase. The Chancellor did not want to put it in his pre-Budget report; it was not the tax increase he had in mind at all. However, I shall return to that matter in a moment—it just seemed relevant. The Prime Minister and the Children, Schools and Families Secretary told the Chancellor that he could not have the pre-Budget report that he wanted. I suspect that, on this occasion, the Chancellor might have produced a serious Budget, and I strongly suspect that it was the Prime Minister and the would-be Chancellor of the Exchequer, the Children, Schools and Families Secretary, who prevented him from doing so and who gave us the holding statement that we heard.

Ed Balls: On the issue of whose advice was listened to over tax policy, a few days ago, on the question of reversing the rise in national insurance contributions, the shadow Business Secretary said:

"We will only know if we can afford it in the"—

first emergency—

"30-day Budget... The Budget is not just something you knock off for a TV programme."

Does he think that the shadow Chancellor ignored his advice not to offer something on a TV programme without knowing whether it is affordable?

Mr. Clarke: What emerged was the work of Sir Peter Gershon and Martin Read, and the question of how to pay for it was addressed. I have listened to the Secretary of State trying to explain how he will make his £500 million of savings from a budget that is not increasing in real terms—as shown by the forecast for the retail prices index in the Red Book—and I think that we have made it much clearer how we could afford to get rid of this appalling national insurance increase, for which he is in large part responsible. We have addressed the question—I was addressing it in the interview he quoted—of how to account for any changes, and we have explained how we would pay for them.

There is a big, serious question—the one that we are debating and that we will resolve in our proceedings today: whether there is a credible plan for dealing with the nation's problems of a budget deficit and debt. We are having a very entertaining debate, but the dimensions of the problem that the Budget should be addressing, and which we need to address, should overwhelm everything that we do. On that question, the Budget turned out to be a mere holding statement—probably not the statement that the Chancellor of the Exchequer wished to give. I am afraid that he fell into some of the usual traps—the whole recession somehow came from overseas; it was nothing to do with here—and he tried to present as good news the fact that the deficit was going to be only £167 billion, which is just under 12 per cent. of GDP. The fact that the deficit was mildly smaller than his horrendous forecast is not good news.

When it came to how the Chancellor would start to tackle his stated objective, there were optimistic forecasts, which I honestly do not believe are likely to be achieved. Everything is being disposed of on the basis that we are likely to get into a mini-boom from next year onwards and to sustain it, and that huge cuts could be made in infrastructure spending. I shall not keep arguing the past, but it was private finance initiatives that enabled the schools capital programme to take off; indeed, huge cuts in infrastructure spending have already been set out by the Government in the Red Book. The problem is that the ballpark figures were plucked from the air and kind of attributed to each and every Department. What the Children's Secretary illustrated was that an individual Department cannot give any meaningful description of how it is supposed to be making its contribution to eliminating the £11 billion of waste or making the £5 billion of lower priority spending cuts that were cheerily set out in the Budget speech and the Red Book.

Ed Balls *rose—*

Mr. Clarke: I will pause to give way in a moment.

In the end, given such inadequate content, all it adds up to is a vague target of halving the budget over the course of the next Parliament. The debt-to-GDP ratio will rise to "only" 75 per cent. of GDP, on the Government's very optimistic forecast.

Ever since the Government broke into heavy public spending and borrowing in 2000, when they stopped following the figures that I had laid down in 1997, public spending has been increasing by 4.3 per cent. on average each year. The Budget set out that it would reduce that to 0.4 per cent. each year; it gives no credible description of how on earth it is supposed to get there, and if it did that, it would still leave the deficit at 4 per cent. of GDP in 2014-15. That is above an acceptable level. As we heard from the Children's Secretary's agitated ramblings about the details of his budget, the Government have not the first inkling of how they are to get to what we regard is an inadequate position and not at all healthy public finances for a return to normal growth.

Mr. Hayes: My right hon. and learned Friend mentioned the spending plans that the current Government inherited. Indeed, I mentioned in an intervention on the Secretary of State that growth was at its greatest under this Government during the period when the fiscal constraints that they inherited still applied. Is it my right hon. and learned Friend's view that a fiscal tightening, coupled with holding down tax, would be more likely to deliver the growth targets that the Government anticipate than their Budget, which will raise tax and not fiscally tighten in the way that most national and international experts recommend?

Mr. Clarke: I wholly agree with my hon. Friend. Indeed, when the public are trying to make sense of what they probably regard as the confused arguments about tax, spending, borrowing and all the rest, they should recall two previous occasions when similar issues were posed. One was early in the Thatcher Government, when we also had a huge fiscal crisis. We went in for fiscal discipline and a tight monetary policy in order to get stability, and that produced growth. We were bitterly opposed by the Labour party, however. I took over during a comparatively minor fiscal crisis, albeit an important one: £50 billion was the annual deficit figure that frightened me when I became Chancellor of the Exchequer. I went in for fiscal discipline and a strict monetary policy, and I was fiercely opposed in terms that the Secretary of State still longingly recalls. He sometimes forgot that it was the Major Government, rather than the Thatcher Government, whom he was attacking. We were bitterly opposed.

Now, we have the worst recession—the deepest and longest that we have ever had—and the worst fiscal problems that we have ever faced. We are proposing to tackle that with sensible, courageous fiscal policies while maintaining proper monetary policies. Labour Members call themselves neo-Keynesians, but they are actually the populist, short-term, vote-catching, easy-way-out people of so-called new Labour, and they are opposing the same approach being taken again, dressing it up and—with great respect—getting things rather confused.

Ed Balls: I only wish that I had had the chance to pay tribute to the right hon. and learned Gentleman in my speech; I did not know that I would be facing him today. He was my first MP, and I think that he made some very wise decisions in his time as Chancellor. We have already established, however, that he was ignored on national insurance. Speaking of the time when he was Chancellor, he has also said:

"I got rid of the married couples allowance...This is social engineering, for God's sake, and when I joined the party we weren't in favour of it."

Is he going to be ignored for a second time, on the married couples allowance, or might his view prevail? Might this uncosted, unfunded pledge to introduce an unfair marriage tax break be dropped by the Leader of the Opposition?

Mr. Clarke: I am glad that my pre-Front Bench quotes are being so lovingly preserved by the right hon. Gentleman. We are committed to recognising marriage in the tax system. Those were my comments on the married couples allowance—and on why I abolished it—given at some seminar, I think, before I was exposed to the collective wisdom of my colleagues. But we must still wait to see how we are going to honour our commitment to recognise marriage in the tax system.

Ed Balls: The right hon. and learned Gentleman does himself a disservice in talking about the quotes being lovingly preserved. I was harking back to my experience in 1983 when he was my MP, but his quote about the marriage tax break was actually from December 2008. That is not an old quote; it is a very recent one. The question is will he be listened to, or will he be ignored yet again.

Peter Bottomley (Worthing, West) (Con): On a point of order, Madam Deputy Speaker. The Secretary of State has six pages of quotes. Can we hear them all at once, rather than one after another? *[Laughter.]*

Madam Deputy Speaker: Order. That is not a point of order for the Chair. May I remind all—

Ed Balls *rose*—

Madam Deputy Speaker: Order. May I please remind the House that a considerable number of Back Benchers are waiting to contribute to the debate? Their speeches will be time-limited, and I therefore ask for some consideration from other Members who are making their contributions.

Mr. Clarke: I shall stop giving way for a time, Madam Deputy Speaker, to help with that.

That quote was taken from an academic seminar at which I spoke before I was on the Front Bench. There were no doubt considered views of the same kind in my Budgets when I was addressing the same question—*[Interruption.]* The Secretary of State keeps quoting—he has probably got a whole wad of quotes of me and my hon. Friend the Member for Surrey Heath (Michael Gove), the shadow Secretary of State for Children, Schools and Families—but I wish he would take more notice of what we say to him from the Dispatch Box and answer some of our questions. He should certainly take notice of my hon. Friend's education reforms.

We are committed to recognising marriage in the tax system, and there are many ways of doing that—on which my right hon. Friend the Leader of the Opposition will no doubt decide in due course. *[Laughter.]* I shall go back to the serious question. I have made my point about the debt. I do not object to the House having a good-natured debate about the most grave situations—I am sure that there have been entertaining debates when the nation has gone to war—but the gravity of our economic situation should not be underestimated. The public are about to take part in the general election campaign—or, rather, to listen to it and then vote—and they realise that this is a very big question. They are frustrated by the difficulty of deciding about it.

The real question is this: are we going to have the present economic and financial crisis resolved by the democratically elected Government of this country, or are we going to have our affairs decided by a collapse in the bond markets and a further collapse in sterling, which is already devalued on a trade-weighted basis by 25 per cent.—the greatest devaluation, I think, since the second world war.

What frustrates the public looking at the major parties is the fact that although we are all agreed on the dimensions of the problem, the present Government are simply not prepared to face up to them. The Chancellor of the Exchequer, not just the Chief Secretary, acknowledged that cuts would have to be deeper and tougher than those under the Thatcher Government. I said that some weeks ago and the Chief Secretary appears to have repeated it. The only person who has difficulty repeating it is the Childrens Secretary, but it is a fact, not an opinion, that we are going to have to get into some extremely serious spending cuts. Whoever is elected will have to make those cuts.

If by chance we were to re-elect a Government who did not have a credible plan and who did not have the political will to face up to the problem—if the present Government were re-elected, they would not do so—the process would have to be introduced by the International Monetary Fund. As happened before, we would have conditions imposed on us to restore our solvency in the eyes of the bond markets. That is the background against which the Government are not treating the House or the country properly and against which the Government have failed to produce a Budget that could be rationally debated as an approach to the crisis on the eve of an election.

Mr. Sheerman: The right hon. and learned Gentleman is known for his honesty, and I have known him for a very long time. He is talking about what the British public should know as we come to a general election. The truth is that both sides realise that there must be cuts, but would it not be suicidal for our economy if we started to cut public investment before private investment had recovered? That is the truth that the public know, and we should tell them.

Mr. Clarke: No. This is the delay argument. We are supposed to be having a debate about whether we should start to act straight away or whether some economic virtue will allow the Government to go on without making any serious adjustments beyond the election and before recovery comes. I do not accept that. It is arguable, but it seems to me quite obvious that the reason why the Government are arguing for delay is that they have decided to fight the election on a rosy and complacent perspective, so the Chancellor of the Exchequer has been instructed not to address the long-term problem in the Budget. We have all seen the Prime Minister being persuaded only with great difficulty and very belatedly to recognise the need for any public spending cuts at all. It is a political tactic, not economic calculation, that is causing the delay.

The Prime Minister is particularly fond of speaking as though the increased spending and increased borrowing from 2010 to 2011 is some sort of contrived fiscal stimulus or a plan. It is not a plan; it is the fag-end years of the Government in whom there has been no proper control of public spending, leading to a mismatch, now reaching £4 of spending for £3 of revenue, which is piling up the deficit. Yet that is described as a fiscal stimulus. We have no policy in place or in operation to stimulate the economy—apart from a scrappage scheme for boilers, which is not going to lift our economy very far. All that we have is a purely political refusal to face up to answering the questions before the election takes place.

On efficiency savings, there are two elements to consider. Of course we must all make efficiency savings—those on both sides of the Chamber talk about them—and the public are extremely aware of the need to cut wasteful spending. We addressed the national insurance increase and identified areas where we were confident that we could avoid that particular tax increase—*[Interruption.]* It is no good saying, "Come on, Ken."

As for the national insurance increase, the moment it was announced I said what I have said throughout—I cannot remember whether I said it first in the House—namely that national insurance was the worst possible tax base for the Government to turn to if they wanted to raise revenue in a recession. It is a tax that should be avoided at a time when a Government are trying to nurture a weak economic recovery. It is not only an income tax on everyone in work, but—more important, in my opinion—a tax on jobs. It stops employers hiring new staff, and discourages them from retaining the staff

whom they already have. It also puts pressure on their wage costs. The Federation of Small Businesses estimates that it would probably have cost 57,000 jobs had it been allowed to stand.

Ms Keeble: The right hon. and learned Gentleman spoke of delaying tactics. He has now been speaking for nearly half an hour without addressing himself to the real issue of the debate: the Budget, and in particular the education budget. The only proposal that he has come up with so far is not to increase national insurance contributions, which would add £6 billion to the deficit. What I want to hear, and what I am sure others want to hear, are his proposals relating specifically to the education budget and, in particular, the schools budget, which the Institute for Fiscal Studies has described as the biggest single unprotected budget that the Tories have.

Mr. Clarke: That brings me to my next point. First, there are the efficiency savings, which have been debated a fair amount publicly in the last day or two. Secondly, we will have to move on to a public spending round. We will have to move on to addressing the programmes of individual Departments, and they will be addressed. The education Department is only one of them.

I shall explain the problem to the Opposition in a moment, but as things stand—as I think has just been conceded—the education Department faces a real-terms cut in its current spending over the next few years. It is also down for £1 billion-worth of efficiency savings, but no one can adequately explain where they will come from. No one in most Departments can explain where the pencilled figures for efficiency savings are supposed to come from.

Ed Balls *rose—*

Mr. Clarke: I will give way to the Secretary of State for the last time. We are both taking up too much time.

Ed Balls: We are, but I want to make sure that we are absolutely clear about the position, and to give the right hon. and learned Gentleman time to explain his own position clearly.

On 19 March, under the headline "Cameron overrules Clarke on NICs", the *Financial Times* quoted the right hon. and learned Gentleman as saying:

"We will only know if we can afford it"

—the national insurance freeze—

"in the [first emergency] 50-day budget."

What has changed between then and now?

Mr. Clarke: I do not know whether the Secretary of State does the research for the Prime Minister, who is also very fond of quoting me, but he has just used the same quotation twice.

As I have just explained, I certainly agree that there should be no tax reductions, or abandoning of tax increases, unless it can be explained how they will be paid for. What I said was what I said, and what has happened since then is this: we have had the reports from Gershon and Reed, and we have settled down and studied them. We have worked out that of their £12 billion savings, £6 billion can certainly be secured. That can pay for what we have proposed. As I have just said, increases in national insurance are particularly disastrous.

What a responsible Government should have tackled is the public spending programme for the next three years. They should have produced a review of the changes that were needed to address the deficit. That has not been done, and it is extremely difficult for an Opposition to do it. A strange background is provided to the debate by what I consider to have been the most cynical of all the decisions made by the Government in the last 12 months: the deliberate decision to put off a public spending round in the run-up to an election.

According to the Government's own programme, there was supposed to be a full public spending round. That would have informed everyone's debate, and would have set out priorities properly. The excuse given for its postponement was pathetic: "uncertainty". No one believes that. Everyone knows that it was postponed because the Government did not want to address any of these questions in the run-up to an election. That displays unforgiveable cynicism. We as the Opposition party keep getting pressed by exasperated journalists and members of the public to give details of what cuts we would make, but even when the information available to us is not complicated further by the explanations offered by the Childrens Secretary, but is set down on paper in English prose, it is not adequate to address that question. Similarly, Secretaries of State need to take advice from within their Department and negotiate with the Chief Secretary and his officials before they can draw up a possible programme. We need to have a public spending round, but this Government suspended that out of cynicism—out of pure electoral opportunism.

Ed Balls: If the right hon. and learned Gentleman cannot have any confidence in the £11 billion of savings we have said we can find, how can he have any confidence that he can find a further £6 billion of savings to pay for his national insurance freeze? He has just dug a very deep hole for himself. He has just explained why he was completely right a few weeks ago when he did not think this NICs tax freeze could be paid for. He has confirmed that now, which is why people know that what is actually going on here is a secret plan for an increase in VAT.

Mr. Clarke: We have set out the five bases Gershon says we should pursue, but we have not allocated figures to individual Departments as we are not in a position to do so. However, the Children Secretary has, for his own reasons, tried to allocate figures, and he has allocated the £11 billion in such a way that nobody in any Department has the first idea of how they are supposed to produce these savings. With the greatest respect to the right hon. Gentleman, I say to him that to suggest that that is an adequate substitute for a public spending round is a pathetic response.

We should have had a proper Budget. Not only would we then have had a better debate, but it would have been more challenging to both Opposition parties if the Chancellor of the Exchequer—who holds that office despite the Children Secretary's wishes—had been allowed to come to this House and say to us and the Liberals from the Dispatch Box, "These are my tax plans and my spending plans for Departments over the next three years. Which of these tax changes are you going to vote against? Are they tough enough for you? Would you like them to be tougher?" It would have been more challenging to the Opposition parties if he had

[Mr. Kenneth Clarke]

said on the spending plans for Departments, "How would shadow Ministers for spending Departments on your side of the House react to these plans? Are the Opposition parties going to settle for these plans, or are they going to toughen them up—or weaken them?"

If that had happened, we would have had a serious debate. The public would have been less disillusioned with politicians as a whole, we would have been put on the spot, and—who knows—we might have done what the then Leader of the Opposition and the then shadow Chancellor, who is the current Prime Minister, did in 1997: we might have said, "We agree with your fiscal policy." We might have said what Blair and the current Prime Minister said then, on the advice of the current Childrens Secretary: we might have said, as they did after my Budget in 1997, "We accept your spending plans, we accept your tax plans, and we are going to stick to them."

The Government should have produced a proper Budget, but instead they have not produced any serious fiscal or spending plans. Optimistic growth forecasts, inchoate figures and a complete refusal to hold a public spending round is the only background to the practically content-free statement the Chancellor gave the other day.

Several hon. Members *rose—*

Mr. Clarke: I must move on now.

As we have turned this into a business debate rather than an industry debate, I shall briefly touch on the implications for small businesses and the contribution made to this debate from afar by Lord Mandelson and his Department for Business, Innovation and Skills. What we should all be talking about is how to return to growth: what is the future for British enterprise, and how do we make this economy successful again? However, until we tackle the debt problem, we cannot do so; there will be no return to normal growth until we satisfactorily address the deficit and the debt problem.

Let us consider the current prospects for businesses. We have no fiscal stimulus, and if this Government survive, business faces a national insurance increase. Business faces a considerable increase in business rates—I believe it will be £1 billion in the year about to start—and the small business corporation tax rate is increasing from 21 to 22 per cent. in April 2011. So the first thing that business faces is an increase in taxation.

Obtaining credit is the big problem for small business, and that is holding back growth on a great scale. Lord Mandelson accepted as much with some vigour in a speech he made about the behaviour of the banks a few days ago. What is in the Budget to tackle this? What is pulled out of the hat on the eve of the election? The answer is a credit adjudicator service. Apparently, some sort of new tribunal will be resorted to by every business man who cannot get the credit he thinks he ought to get from his bank; there is to be an appeals system. A whole new profession of sub-lawyers and separate risk managers could be about to appear. The banks are to be determined by some tribunal, some official or perhaps some political adviser. When someone is worried about their credit, they will have to say how marginal their constituency is and whether the Labour candidate is a Blairite or a Brownite. That might have a very significant effect on someone's success when they appear before the credit adjudicator service. It was rightly ridiculed by Richard Lambert, and nobody has the first idea as to how it is meant to act as an answer to the credit problem.

Lord Mandelson is trying to sell his whole Government on "active government" and "interventionist government", but when he was last at the Department of Trade and Industry he did not take that view at all. Indeed, I often quote with approval one of the things he said when he first came into what is now the Department for Business, Innovation and Skills. He was against the Government picking winners, saying that the history of this had usually been losers picking the Government. That is a very good description of the industrial strategies of the past. It was a very witty remark, with which I wholly agree.

However, suddenly we find that "active government" means that there is a kind of slush fund of grants from various parts of government. They have been holding back various grants and financial approvals that they could have given in the past few months and are now releasing them in a sudden rush on the eve of the election. The allocation to the noble Lord's budget in BIS is a one-off £750 million, which he got as a kind of dowry when he turned up—he called it a strategic investment fund. What has happened, as the *Financial Times* showed in some research a couple of days ago, is that no less than £7 billion-worth of grants or financial approvals have been given in the past week or two. This has been done by three Departments in particular—the Department for Transport, the Ministry of Defence and BIS—with the money to be spent on trams, trolley buses and defence contracts. Some of these grants to industrial enterprises are doubtless worth while, but this is happening all over the place; I advise anybody in a marginal seat who is looking for Government money to get in a bid quickly in the next few days.

Let me discuss one of these grants. I shall not oppose it, because I do not know enough about it, and I shall go on to explain why I do not get up to oppose such grants. So let me give approval to one of Lord Mandelson's recent grants. Some £8 million has gone to the refurbishment of Blackpool tower; the iconic tower and Winter Gardens in Blackpool has suddenly got a grant.

Mr. David Gauke (South-West Hertfordshire) (Con): Two marginal seats.

Mr. Clarke: Heaven forfend. I like the tower and I always go there when I am in Blackpool. My party used to go there and I also have fond memories of it as a child. The tower is a national monument and £8 million is no doubt money well spent. *[Interruption.]* I am being told that Blackpool has a Conservative council. Indeed it does, but it has two Labour seats, both of which used to be Conservative seats. This is, thus, a mere coincidence. One of my hon. Friends was unkind enough to mention that after a wait of all these years £8 million has gone to Blackpool tower. This is part of the £7 billion that is suddenly being disbursed. Where is the money coming from? It is being borrowed. Is it the Government's money? No, it is the taxpayer's money, which the Government hope that eventually some Chinese investor will help to finance. At the moment, the necessary bonds are presumably being printed by or bought by the Bank of England. *[Interruption.]* The only person

who Lord Mandelson ever consults on political tactics is the Children Secretary. They are the architects of new Labour, a movement that we all know is, in essence, a media management and party political campaigning organisation.

Lord Mandelson would, of course, want to know whether or not I oppose each and every one of those grants. it. He knows perfectly well that if I say that I oppose a certain grant, that information will go to the relevant place and people will say, "If you vote Conservative, there will be x million less in Barsetshire." People will say that there will be less of a grant for this or that, so I do not do that. I have a good reason for looking at those grants, some of which—the bigger, more substantial ones—I would probably approve of, but I have no access to the business plan. I am not able to ask any great, international company, "Why are you not able to get this money from your normal sources? Why can't you go to the markets?" I cannot say, "Explain to me why the taxpayer must borrow this money to make a contribution," so I do not oppose the grants. When I used to shadow the old industrial strategy of Wilson and Callaghan, I did not oppose them all because I could never get enough information, but sometimes one could look at the political map and get a pretty good indication of why grants had been so surprisingly successful. It is cynical electioneering and the election must bring it to a satisfactory end.

That grave problem is not addressed by the Budget, the background to which is appalling. The decline in manufacturing as a proportion of gross domestic product has been faster than at any time in our history. The most worrying manifestation of the crisis is the huge fall in the level of business investment. When business investment goes off a cliff at a faster rate than at any time since records began, which I think was in the 1960s, that tells us how near we are to the end, and, in reality, how likely we are to have growth. That is what happened in the second half of last year, and it tells us we are at risk.

Labour caused the crisis in the first place. When the Prime Minister was the Chancellor, he contributed to the global crisis. It was not just Wall Street; it was also the City of London. It was a failure not just of regulators in New York, but of the Prime Minister's own regulatory system in London. Everyone outside the Anglo-Saxon world knows that Bush and Brown, when he was Chancellor, were two of the principal architects, by their negligence—two of the principal contributors—to the folly that we all suffered from because of the hubris of bankers.

The Prime Minister lost control of public sector finances when he was the Chancellor. While he was bound, by his electoral pledge, to follow my policies and my figures until 2000, he was the Iron Chancellor, whose work was based on prudence. If only he had stuck to my rules—balance the Budget over the cycle; no more than 3 per cent. deficit on GDP; and limit debt to GDP ratio to 40 per cent.—all of which were hit and maintained when Labour stuck to my fiscal policy for its first three years of government. Thereafter, it went completely mad and ignored all the warnings.

The hon. Member for Twickenham (Dr. Cable) constantly claims that he foresaw the dangers. I think he would agree that when he and I spoke in Budget debates, we used to say the same things about the sea of debt that was piling up and the fact that the level of household debt, let alone Government debt, was unsustainable. We were treated as a couple of Jeremiahs who did not understand the modern economics that the current Prime Minister was taking such credit for. He gave knighthoods to successful bankers; he did not regulate them. And he did not doubt for one moment that he could sustain the whole thing on the basis of what was the most foolish and extraordinary bubble.

I spent last night reading a very interesting book by Malcolm Balen about the South sea bubble. Although it is not quite so bad, this financial bubble is quite high up the league table. It is worse than the dotcom nonsense we had about 10 years ago, and is absolutely absurd. In this case, I do not believe for one moment that there is the slightest hint in the House of Commons of the corruption that was at the heart of the South sea bubble, but the sheer incompetence and the credulity of the worst Chancellor of the Exchequer we have had in modern times, and the iron control of the new Labour movement that made sure there was no real challenge until the crash came in 2008, is, to a certain extent, reminiscent of past financial scandals. The outcome should be that the Government pay the penalty. They have caused and contributed to the crisis and they currently have no answer to precisely how they will get us out of debt and deficit. They cannot seriously offer themselves for re-election.

It appears that most former Cabinet Ministers are planning their future careers in various branches of private enterprise. Where legitimate, I wish them success in the private sector phase of their careers, although one or two have been going near the wind when it comes to what they are contemplating.

I very much hope that most of them are thinking about what they can take up as an alternative to government for the next few years, as the British economy cannot possibly stand their return. This hopelessly inadequate Budget is the last sad epitaph to a history of failure.

5.45 pm

Dr. Vincent Cable (Twickenham) (LD): I too came along this afternoon under the impression that this was to be an economic debate. I am pleased to see that the first detachment of cavalry from the Treasury has arrived, and maybe there are others to come.

As this is the end of the Budget debate, many of the arguments have been aired already, either in the Chamber or outside. One useful aspect of coming in at the end of the debate is that we have a chance to compare the arguments that we are having here with what is happening in the real world in our constituencies, as I tried to do over the weekend.

Essentially, our debate has centred on when cuts will be made, which the shadow Business Secretary characterised a few moments ago. Should we make them now? The Government view, which I broadly support, is that the economy is rather too fragile for us to embark on cuts at this stage, whereas the Conservatives tend to argue that the cuts should be made more rapidly. That is the debate that we are having: right or wrong, there are arguments on both sides, but I find it very difficult to reconcile that debate with what is happening on the ground.

[Dr. Vincent Cable]

When I left Parliament last Thursday, my first port of call was a mass meeting of teachers and lecturers at my local further education college. The problem is that 70 front-line staff have been told they will be sacked over the Easter recess, and they do not understand why. The college is a top-quality, academic establishment for post-16 year olds, and the staff have been told that the Government attach enormous importance to post-16 education. As far as I know, there is no fault with the college, but people have been told that there are going to be cuts. Those cuts are happening now, and people will get their redundancy notices in a few weeks.

I thought that that may be some kind of strange outlier that was not typical, but I went to the local university the following day and it too is grappling with a completely new set of budget numbers that will almost certainly mean very substantial cuts in student numbers and teachers. Then on Monday morning I had an opportunity to go to the National Physical Laboratory, which happens to be in my constituency. It is one of the country's leading science centres, and it is where Greenwich mean time is based.

I spoke to a staff union meeting there, and again it appears that Lord Mandelson's Department has decided that this very productive corner of British science must have cuts. The Government have suggested that it generates £25 of benefit for UK plc for every £1 that it spends, but 40 or 50 members of staff have been given redundancy notices already and others are to follow.

This is what is actually happening, in the real world. We are talking theoretically about making cuts now or later, but the environment in which some sectors of the economy are operating is one in which cuts are being made already. Coming back from that contact with the real world, I had a fresh look at the Budget in a bid to understand what is going on.

When we read the Budget, we think it appears to have absolutely no impact on the economy at all. We are talking about a change in revenue worth about £1.5 billion, or one tenth of 1 per cent. of the economy. The fiscal changes in the Budget therefore have absolutely no effect on the economy at all, but the report published at the end of last week by the Institute for Fiscal Studies showed that 2010-11, the next financial year, will see a very big fiscal contraction of about 2.5 per cent. of GDP. That is because the fiscal stimulus that the Government supplied is being withdrawn, and it is also due to the big cuts in capital spending.

Again, back in the real world, I was reminded of what that actually means. I was invited to one of the big rooms at Twickenham rugby stadium to speak to a group of roofing contractors—500 of them. They had various experiences, and many of them had had a tough time in the recession. They told me that all their business plans are being affected by the fact that the Government are drastically reducing capital spending. This is happening and it is affecting their businesses. That, combined with the severe contraction of credit from the banks, means that many of those companies are finding it extremely difficult to operate. The artificial debate around the Budget has little connection with the real world in which those companies work.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): On the point about the very real world, I notice that just before the Budget the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) was opposing fuel tax rises, but the right hon. Member for Sheffield, Hallam (Mr. Clegg), the Liberal Democrat party leader, was in favour of them. What is the Liberal Democrat position, in the real world, on fuel taxes?

Dr. Cable: We want special provision for remote rural areas. If the Government were able to introduce a scheme of that kind, we would be happier with the fuel tax proposals. The hon. Gentleman will see how we vote on the matter tonight, but that is heavily coloured by the fact that we have had no provision for remote rural areas.

Mr. David Heathcoat-Amory (Wells) (Con): While the hon. Gentleman is clearing up confusions, what about this one? Last night on television, he said he wanted to bring down the budget deficit by, among other things, removing child benefit for high earners. That position was contradicted by the leader of his party earlier this month, when he said that the universality of child benefit would not be questioned by the Liberal Democrats. What is the position of the hon. Gentleman's party on this? Who speaks for the Liberal Democrats?

Dr. Cable: What I said, or what I thought I said, was that we would cut child tax credits for high earners. [HON. MEMBERS: "No!"] Well, if I mispronounced it, then I mispronounced it. *[Interruption.]* No, we are not talking about cutting child benefit; that is quite clear. We are talking about child tax credits. Let me be absolutely clear, and I apologise if I did mispronounce it, because the policy is unambiguous.

Let me turn to the Budget pluses and minuses. There are pluses. First, the Chancellor clearly did not accept some of the demands that were being made of him to run a populist Budget. He restrained himself from that, which is a big contrast with earlier Budgets. I go back, for example, to 1992, when there was a similar situation. The economy was in difficulty and an election was coming. Large offerings were made, which had to be withdrawn a few months later. This Chancellor, to some credit, has desisted in that respect.

The second, rather minor, positive is the fact that the Chancellor's news on economic borrowing was slightly less severe than it could have been, but that is a little like someone grappling with a very large overdraft discovering that their mobile phone bill is not quite as bad as they thought it would be. Still, it is good news.

The other positive, though I say this slightly sardonically, is the fact that we have had an accurate description of what the fiscal problem actually is—the scale of it and the time scale over which it is due to be dealt with. However, that is a little like saying that the Chancellor has identified and acknowledged, probably for the first time, the fact that we have a very large elephant in the room; has carefully measured the elephant, telling us that in eight years' time it will become a mouse; and has suggested a time scale over which that contraction will occur, but without at any point explaining to us the biology by which that elephant will transform itself into a mouse. There was no discussion whatever of the what and the how of the fiscal contraction occurring.

Stewart Hosie (Dundee, East) (SNP): That is a very good point indeed, as was the description of the real cuts at the hon. Gentleman's university, his college and the National Physical Laboratory, but in all the national hustings I have done recently, the Liberal spokespeople have tended to use the same form of words, which is that they are on the same page as the Government with this. Is he backing those cuts; or if he has questions now about how we get from a huge deficit to a slightly less huge deficit, is he backing the process or will he give us something new today?

Dr. Cable: No, the criticism is not of the fact that there needs to be a tightening of budgets. Of course there has to be, although we have taken a view, which I have communicated publicly with the hon. Gentleman's party leader, about the emphasis on protecting the Government budget for next year. However, if cuts are to happen, it is important that they should be done openly, not under the radar. My criticism of what is happening in the FE sector, universities and science laboratories is that it is all happening by stealth. There is no discussion whatever of priorities. It is happening through civil servants and quangos. There is no acknowledgement of the fact that cuts are occurring or of how they should occur. That is my central criticism of what is happening at the moment.

On timing, the hon. Gentleman well knows—we have had this communication already—that we broadly support the Government's view that it would be better not to embark on large additional cuts in the budget in the coming financial year, because the economy is fragile and that would aggravate the recession, creating even more unemployment. Arguably, it would make the fiscal deficit even worse. That is our position.

Let me talk about the negatives—the worries—in the Budget. The first is the almost hopelessly optimistic assumption about the rapid return to growth in 2011. There is now a long list of independent forecasters in British industry and in the City, none of whom thinks it remotely likely that growth will approach the level that the Government assume. There is one exception: Goldman Sachs. The Bank of England is also at the upper end of the range, but the overwhelming majority of independent forecasters believe that the Government are far too optimistic.

The second criticism is of how the Government intend to achieve some of the cuts when they come. We had the real Budget announced in press releases after the official statement in Parliament last Wednesday, in the form of these efficiency cuts. For the rest of the day, the hon. Member for Runnymede and Weybridge (Mr. Hammond), the shadow Chief Secretary, and I had quite an amusing series of exchanges, ridiculing those cuts. Neither of us is normally noted for mirth—we are often compared to undertakers—but we found this very funny, because the efficiency cuts had obviously been cobbled together and written on the back of an envelope. They did not amount to much at all.

That made me all the more surprised yesterday when I discovered that my opposite number, the shadow Chancellor, had adopted all these fictitious cuts—efficiency savings—and used them as the basis for promising to repeal the national insurance increase. These efficiency savings—if we can have them, they are great, but on the one hand to ridicule them and on the other to use them as the basis for promised tax cuts has no credibility whatever.

For the record, this is the approach that we have adopted. We are by no means able to explain, any more than anyone else, the full extent to which the fiscal contraction could occur, but we have identified £15 billion gross of savings, which we think we could achieve. We specified them. They are not efficiency savings. Any efficiency savings are above that. We have allocated some of that figure, £5 billion, to job creation in the short term and other spending priorities in the longer term, including the pupil premium, which would provide additional funding for schools. We recognise that there will have to be—especially in 2011-12 and beyond—some serious spending reductions over and above what we have identified.

Mr. Philip Hammond: The hon. Gentleman talks about the credibility of plans to cut spending and he has announced his £15 billion plan. Will he confirm something that he said last night during the television debate—that the £15 billion includes scrapping tranche 2 of the Eurofighter project? Perhaps he has seen a different contract from the one I have seen, but my understanding is that the cancellation charge for tranche 2 exceeds the cost of taking delivery of tranche 2. Can he explain to the House how he would make a saving there?

Dr. Cable: That is not the information that we have received. We have repeatedly checked our understanding of the charges involved in such a decision. There are two different components to the end of the Eurofighter contract, as the hon. Gentleman knows. We believe on the basis of what we have been told—of course, we are not told everything, because some of this is supposedly commercially confidential—and on the basis of our information that some savings could be made.

Like the hon. Gentleman, however, we take the view that the bulk of the savings that will have to come from defence procurement—there will be a lot—must be considered through an overall review of our strategic objectives, provided that that takes place quickly in the early stages of the next Parliament.

Mr. Stewart Jackson (Peterborough) (Con): In the welcome spirit of mea culpa, will the hon. Gentleman share with the House the circumstances that led him to give a grovelling apology to the permanent secretary to of the Treasury for misrepresenting the involvement that he had in terms of a contribution from his Front Bench to that Department?

Dr. Cable: I gave no grovelling apology to the permanent secretary to the Treasury. I misrepresented nothing. I had a meeting with the permanent secretary to the Treasury, as indeed all Opposition Front-Bench spokesmen did. It was a perfectly routine meeting, and that was the way I represented it. People may choose to dramatise it in the context of discussion of hung Parliaments, but I have to say that that was wholly false. I have written no grovelling letter of apology. I have written him a friendly note, confirming what I had said and had not said, but no apology whatever was needed or has been given.

Ed Balls: May the confusion about tranches 1 and 2 of Eurofighter, and therefore the confusion about exactly what the level of spending and efficiency savings add up

[Ed Balls]

to, have been what the shadow Business Secretary had in mind when he said that one could pay for the reversal of the next increase only after the election? Is that the kind of confusion that the right hon. and learned Gentleman was trying to avoid, and was it wrong that he should be overruled by the shadow Chancellor?

Dr. Cable: I appreciate the Secretary of State coming to my rescue, but I do not think I need it. I have given an explanation that deals with the point.

I conclude by referring to two issues of substance that arose in the Budget in relation to the banks and the banking system. One of the big and unexpected revenue changes was the yield from the bank bonus tax. I acknowledge that we underestimated it, as did the Government. We thought that the tax would be widely avoided and it was not. It suggests a certain degree of chutzpah among the bankers that they were perfectly happy to pay up rather than change their behaviour, but it leaves us with several conclusions that now need to be followed through but are not being followed through.

The first is that the banks are perfectly capable of sustaining a permanent rather than a temporary tax in order to cover the insurance—the protection—that the banks derive from the taxpayer. The second is that it is clear that excess profits are being made in the banking system, particularly in the investment banking arms. I was delighted to see that the head of the Office of Fair Trading is now investigating the possibility of cartel, or other forms of anti-competitive behaviour, which are producing excessive profits from Government and possibly private client relationships, and which are the source of many of the bonuses that are currently paid. I would be interested to hear from the Minister when he replies whether the Government have prompted or are encouraging the OFT to pursue the investigation.

Mr. Oliver Heald (North-East Hertfordshire) (Con): To clarify matters so that there is no misunderstanding, would the hon. Gentleman be prepared to publish the letter to the permanent secretary to the Treasury so that we can all see that the speculation was incorrect?

Dr. Cable: I sent the permanent secretary to the Treasury a handwritten note. His conversation with me was private, and it was a private note. I can assure the hon. Gentleman on the record that no apology was sought or given or was necessary. I did not misrepresent the meeting. It was a routine meeting between Front-Bench spokesmen of both our two parties. That was all that was involved.

My final point concerns the bank lending practices for which the Government have responsibility in the semi-nationalised banks. We get very excited in these debates about the Government's fiscal objectives, but these are tiny by comparison with the significance of the amount of bank lending to the corporate sector. The Government are talking about targets of roughly £90 billion of business lending. My question is: should we believe them? We have had these targets before. They were legally binding. They were not met. We in all parties have experiences of large numbers of small and medium-sized companies either being unable to obtain credit or being offered credit on terms that are so onerous they cannot take them up. I ask the Minister when he replies to give a much clearer explanation than he has been able to do so far about how these bank lending targets will be achieved next time when they were not achieved before.

Mr. Byrne: On a point of order, Mr. Deputy Speaker. May I apologise to you and to right hon. and hon. Members for missing the beginning of the debate? I was unavoidably detained on Treasury business, but I am very sorry for any discourtesy. None was intended.

Mr. Philip Hammond: Further to that point of order, Mr. Deputy Speaker. Is it not the convention of the House that an hon. Member who wishes to wind up a debate must have listened to that debate? Indeed, I am quite sure that on a previous occasion you have reminded me of that rule.

Mr. Deputy Speaker (Sir Alan Haselhurst): I cannot recall the exact instance to which the hon. Gentleman refers, but obviously, as I think has been rehearsed already on points of order from his right hon. Friend the Member for West Derbyshire (Mr. McLoughlin), it is usual for the debate to have been heard for the winding up. But having said that, there are occasions when both Ministers and shadow Ministers are missing for parts of a debate. The Chief Secretary has apologised to the House and perhaps it would be better to save the time for further debate. It is now on the record.

Mr. Kenneth Clarke: Further to that point of order, Mr. Deputy Speaker. I do not want to make a meal of this, but I do not think that we should just move off in that way. This is extremely unusual; indeed, no one can remember a Minister winding up who did not attend the first two hours of a debate. There are occasions when some untoward incident causes a Minister, or sometimes a shadow Minister, to miss a lot of a debate. The custom is to send a note to the other side urgently with the apology, which is always accepted, and no one makes a fuss about the absence of the Minister. Foreign affairs can be quite serious and be the reason that has taken the Minister away. That has not been done on this occasion. I do not think that it is adequate for a Minister to turn up and say that he has been busy in his Department and that departmental business has stopped him from coming, and have that accepted and carry on as though missing practically the first half of the debate is an unavoidable problem compared with the very important meetings that he has no doubt been having. We should at least establish a precedent. He is apologising now, but it really makes a farce if the Minister comes along when he can and answers which part of the debate he has listened to.

Mr. Deputy Speaker: I am not for one moment saying from the Chair that the situation today is in any way admirable. We have had an apology. The right hon. and learned Gentleman says that he does not want to make a meal of it, but we have now had three courses on this matter, and perhaps we should regard our appetite as fulfilled on this occasion. The Chief Secretary may feel moved to make further reference to it should he catch my eye at a later point.

With regard to the time limit on speeches, once again, as yesterday, Mr. Speaker and the Deputy Speakers have been wrong-footed by events in their calculation,

so I give notice that the 15-minute limit that has been imposed by Mr. Speaker will have to be adjusted down at some later point. However, I will try to maintain it for as long as looks credible.

6.8 pm

Mr. David Blunkett (Sheffield, Brightside) (Lab): I will endeavour to take less than the 15 minutes, and I will also endeavour to help my right hon. Friend the Chief Secretary by making reference to some of the comments that have already been made.

I am grateful to the hon. Member for Twickenham (Dr. Cable) for speaking just before me, because the first two speeches in the debate were an entertaining exchange between the right hon. and learned Member for Rushcliffe (Mr. Clarke) and his former constituent, the Secretary of State, but the reality that we face this evening is to speak on behalf of those who do not have a voice. I therefore immediately want to take up a point that was made by the shadow Business Secretary about credit ratings in the bond market.

It goes without saying that, in a global economy, we are subject to those who make decisions through credit-rating organisations and the bond markets, and if we take no notice and are not cognisant of the consequences, we will be severely damaged. However, in a democracy we have a number of elements in addition to the rule of law and a free media. We have political, participative and representative democracy that gives a voice to those who have power, wealth and privilege in the economic democracy—in the marketplace.

This afternoon I have heard people blame this Government and our Prime Minister for a global meltdown—for what happened throughout the world—that was initiated not actually in the United States, but in the development of savings in China, because of the economic and social changes in that country. That led to the availability of credit and money in the United States, which inevitably led to the over-extension and meltdown. When I hear the Prime Minister blamed for that by a former Chancellor, I do not take it seriously. The right hon. and learned Member for Rushcliffe knows better than that. He knows perfectly well that this Government and country cannot be and are not responsible for what took place three years ago.

Some of those who were responsible for the meltdown were, incidentally, engaged with credit-rating agencies and the bond markets, and it is the cheek of the devil for those people, who have wealth, power and privilege internationally, to say that it was the fault of political democracy for not regulating them toughly enough—to turn the tables on the politicians who are saving our economy, our services, our jobs and the livelihoods of our people and our communities and to say that we are to blame for not stopping them from doing what they did in the first place. That is just nonsense.

Mr. Binley: Does the right hon. Gentleman not recognise the anger out there; that the Prime Minister, then the Chancellor, said to the Financial Services Authority that he wanted a light touch on all those matters; and that that contributed massively to our problems?

Mr. Blunkett: The Opposition were the first to criticise us for being too tough on regulation. They preached year after year that this Government were too heavy-handed on regulation, and that business and finance wanted to be left alone. They preached what Margaret Thatcher preached, and now they intend to practise in the social arena what they preached in the economic arena—that Governments should get out of such business and leave private enterprise alone. They said that we would flourish if Governments did so, not that bankers if left alone would bring our country to its knees and then blame us for not intervening harshly enough to stop them from doing it. What nonsense is that?

Mr. Heald: Does the right hon. Gentleman not remember that in 1998, when the current Prime Minister introduced that financial system of regulation, my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) said that it would lead to trouble? And lead to trouble it has.

Mr. Blunkett: Of course we introduced that system precisely because there was no financial regulation. We also made the Bank of England independent, so that it could make judgments and intervene independently—and of course the Opposition opposed that, too.

The contradictions abound. We know that it is necessary to take care and time to determine what needs to be done. We know it, because one year ago we anticipated that in 2014-15 debt would be £100 million more than we now expect it to be. Even three months ago we thought that growth was just 0.1 per cent., and it turns out that growth is 0.3 percentage points higher than that, based on the recently announced readjustment. Indeed, we know that the growth that can be achieved, the changes that can be ascertained and the way in which we need to proceed are a moveable feast.

Above all, we need to be clear about who carries the consequences for the decisions that we make. Of course, on the macro scale, we have to take into account the consequences of what is happening globally, but we, as political representatives and the only voice of most people in this country who do not have wealth and privilege, have to speak out about the consequences of too rapid a cutback, too rapid a disinvestment and too many cuts to front-line services.

I heard the shadow Business Secretary say that his 1997 Budget was wonderful and that we stuck to it. Actually, we did not. I was the shadow Education and Employment Secretary from 1994, and in market towns throughout Britain in 1995 and 1996 I spoke to parents, teachers and children whose schools were falling apart—whose roofs were leaking. Primary schools were reliant on outside toilets, the teaching profession had totally collapsed and there were four-day weeks. There was under-recruitment, so teachers with no training had to be placed in the classroom; there were no teaching assistants; books were being recycled; and parents were being asked to pay for them.

That was the reality, and in 1997 the July emergency Budget put £700 million more into the education service, and £1 billion of new deal money from the windfall levy, from which we also benefited in terms of the employment drive that got people back to work. We do not want to go back to the era that I have described: it would not be the shadow Chancellor; it would be more like John Osborne—look back in anger and see just what happened when the Conservatives put their friends before the electorate of the country's most disadvantaged constituencies, such as mine.

Mr. Binley: Will the right hon. Gentleman acknowledge that the school improvement programme, much of which we benefited from in Northampton, was a direct result of the private finance initiative, which the then Chancellor said was the only game in town?

Mr. Blunkett: It was not the only game in town, because, as I have just spelt out, we started in 1998 with £1 billion and the new deal for schools, which turned into Building Schools for the Future. That budget—just to get the figures right—was £600 million when I became Education and Employment Secretary; it is now £9 billion and is transforming the learning opportunities and environment of our children.

The argument has been made that we should immediately start to reduce spending. However, one thing that concerns me, to which the hon. Member for Twickenham referred, is that many agencies—next steps agencies, Departments, primary care trusts and strategic health authorities—are already starting to cut in anticipation of even deeper cuts, should a Conservative Government be elected. Paradoxically, that is reducing the speed of growth by cutting back on spending that would keep people in jobs.

Let us look at what happened in the past. We cannot live in it, and I shall not compare historical debt to the reduction in the structural debt, which in any case we intend to get down to 2.5 per cent. of GDP by 2014. However, let us presume that we are in 1951, and a Conservative Government have been elected not on an austerity programme, but on a programme of lifting rationing and bringing hope and aspiration to the 1950s. That is what they were elected on. They were elected on the back of the wartime lend-lease and debt, and the debt that Maynard Keynes negotiated in Washington in 1947, but they did not enter office promising that they would wipe out that massive, historic wartime and post-war debt by 1955, 1959 or 1964. In fact, it was paid off in 2002, and the Canadian bonds were paid off in 2007.

We need a voice of reality saying that we in the political arena must take cognisance of the international financial arena and speak on behalf of the people who have no other voice. The issue is about continuity of spending; about retaining people in jobs, paying tax and national insurance; and about reducing the anticipated welfare spend—on which Margaret Thatcher did spend while cutting front-line services in my city and those throughout the country. Some of us remember it; some of us dealt with it. As the leader of Sheffield city council for seven years in the 1980s, I lived with it day after day, and none of us should want to go back to that. We do not need to; we can plan sensibly; we can be rational; and, above all, we can act as a counterweight to the voices of those who will not feel the cuts—who will be immune to what happens in education, health, transport, the environment and housing, because they can buy their way out of cuts.

We speak on behalf of those who cannot do that, and that is why we should stick to our guns. We should be rational and thoughtful and careful. Above all, we should resist the siren voices of those who know what they are about, and who will vote in this election—they will vote for their own self-interest. That is not acceptable for Britain and it is not the future for our country.

6.20 pm

Sir Patrick Cormack (South Staffordshire) (Con): It is always a pleasure to follow the right hon. Member for Sheffield, Brightside (Mr. Blunkett). We all admire his commitment, his courage and what he has contributed to our country. I hope, though, that he will forgive me if I do not follow him in his loyal defence of the Government, for which he should be roundly thanked by those on his Front Bench.

This is the last time that I will address the House of Commons, and I find it a strange experience almost exactly 40 years since I made my maiden speech. When I was talking to one of my former secretaries the other day about stepping down at the general election and about how I love this place, she said to me, "Well, it's what you are." I have to say to colleagues on both sides of the House that for the past 40 years, it has been what I have been.

I love the House of Commons in general and I love the Chamber in particular, and it always saddens me when people on either side of the House do not give it the respect that it deserves. Of course, one accepts that the apology by the Chief Secretary has been sincerely given. He is not a man who is unthinkingly impolite. In fact, he is a man who likes to make sure that all people know exactly what he wants, whether it is the strength of his coffee or the size of his seat. I would just say to him gently that he must not do this again, whether he is Chief Secretary, shadow Chief Secretary, or anything else. The primacy of the Chamber of the House of Commons when great issues are being debated must be respected by those who are winding up debates on either side of the House.

I believe that what is so important at the moment is that people outside should begin to regain their confidence in this place. I would say to the fourth estate, which sometimes seems hell-bent on destroying the other three, that the House of Commons is the ultimate defender of all our liberties. Of the people I have known in this place over the past 40 years, the overwhelming majority of men and women, in whatever part of the House they have sat, have been true public servants who have come here for what they can put into it, and not for what they can get out of it. I hope that that will be recognised when the furore of recent months dies down.

I came here with a sense of history, and I have had the great privilege of living through history. I shall never forget listening to the great orators of our time, particularly to the recently late great Michael Foot and the late great Enoch Powell, who were close personal friends—most people do not know that, but they were—and who disagreed on almost every subject but respected each other because each one was first, second and last a parliamentarian. I think that we should take an example from people like that.

I very much hope that the new House of Commons, with many new Members in it, will collectively restore faith in this place. I also hope that the new individuals who come here will regard being here, as I always have, as the greatest honour and privilege that any British man or woman can ever have. I believe that it is an honour beyond compare. I hope that, whichever party forms the next Government, those who come here and sit on the Government side of the House—I hope that my party will be over there then—will not come here

merely hoping to be driven around in a ministerial Mondeo, or whatever, but come here because they believe that membership of this place is the most important thing of all.

When one makes a maiden speech, one is supposed to be non-controversial. I do not want to be particularly controversial today, because I have been here long enough to know that no party ever has the monopoly of wisdom, virtue, or any other quality, good or bad. I remember opposing policies of my own party, such as the poll tax—I will not go into a great list—and I know that we have made mistakes in the past. However, I say, against that background, that this is the least substantial Budget that I have ever known. It is skimpy, it is bare, and it does not address the nation's problems. At a time when interest on our debt is more than twice what total public expenditure was in 1970, it behoves us all to recognise the seriousness of our position. Incidentally, in 1970—you will remember this, Mr. Deputy Speaker, because you came here for the first time then, as well—one had dinner in the Members' Dining Room for eight and sixpence: something that would warm the cockles of Sir Ian Kennedy's heart.

Mr. Brooks Newmark (Braintree) (Con): Will my hon. Friend give way?

Sir Patrick Cormack: I would rather not, if my hon. Friend does not mind.

I like to measure every Budget against two of my favourite political sayings. Benjamin Disraeli—I make no apology for being a devotee of the great man—once said that one of the great objects of our party was to elevate the condition of the people. Does this Budget give an opportunity to elevate the condition of the people? I fear that the answer has to be no. One of the most moving speeches that I heard in this place was made by John Nott—Sir John Nott, as he now is—in moving the Loyal Address. He said that the real poor of the 20th century are those without hope. Does this Budget bring hope? I fear that the answer, again, has to be no.

Much has been made of the Prime Minister's great contribution as Chancellor. I do not believe that he was a great Chancellor. In the middle ages, people used to search for the philosopher's stone—the material that was going to turn base metal into gold. The Chancellor discovered how to turn gold into base metal: he sold it at bargain basement prices. Perhaps that is why he has always looked rather lugubrious ever since. I hope that at the general election, in spite of the dire condition of the nation's finances, we will have some fun and some spirited debating. I hope that the Prime Minister will be able to be a bit cheerful about it. He reminds me of a character from a programme of my childhood, "ITMA"—Mona Lott, who said it was being so cheerful as kept her going. That is what the Prime Minister looks like—as though it is being so cheerful as keeps him going. Well, the British people want some hope; some true optimism.

The British people may live in a nation that is on the verge of bankruptcy, brought there largely by the feckless attitude of this Government, but they do not want a Budget that is bereft of vision, or a party that has run out of ideas to steer them through the next four or five difficult years. It will be all of that, because whichever Government come in must have the sustaining power to take us through not just the first Parliament but the second and beyond.

There are many, many things that I shall miss about the House of Commons. There are some that I shall not miss. I shall not miss being here when people are serving on a Panel of Chairs. I am glad that your own current title will be preserved, Mr. Deputy Speaker. We could not have a Chair of Ways and Means—that would merely be a rocking chair, would it not? I will miss the camaraderie of this place and I will miss the cross-party friendships—some of the things that I have enjoyed most of all have involved Members of all parties.

I shall miss very much my Northern Ireland Affairs Committee, and I am delighted to see three Members from Northern Ireland, two of whom have served on that Committee, here this afternoon. We are able to demonstrate through our Select Committee system that people can put their party political interests to one side and work together for a common cause to produce reports that are not anodyne but are hard-hitting and deal with serious subjects, but which bring people together. That is an aspect of our work that it is not sufficiently understood and appreciated outside.

The Select Committee system has developed very well, but what has declined has been the importance and centrality of this Chamber. As I prepare to leave it, I want to express the hope that those who come will not only regard being here as an enormous honour and privilege, as I said a few moments ago, but that they will want to inject some life into the Chamber. It is deeply disappointing that it is so sparsely populated this afternoon, although there are more here now than there have been on the other days of the Budget debate. It is tremendously important that they should recognise that to contribute in this Chamber, and to tread in the footsteps of those giants of old, is not only a privilege but a duty—a duty that they owe, and we all owe, to our constituents.

I say to colleagues whom I am leaving a heartfelt thanks for their comradeship and friendship over the years. I say to those who are to come after that this is an imperfect institution, as every institution composed of human beings must inevitably be, but it is the bulwark of our liberties. It is the place that ought to matter most of all at the end of the day. When they come here, they should try to recognise that and rise to the occasion. They will be very well served by the staff of the House, and they will come to an institution to which they can feel proud to belong. I say to them that every day they should try to do what I have done and spend at least a minute or two walking through Westminster Hall, the most historic part of this great Palace, where so much of our history has taken place and which should give us all a sense of pride in being British.

And so, Mr. Deputy Speaker, thank you for the opportunity to make these closing remarks. Ave atque vale.

6.34 pm

Joan Walley (Stoke-on-Trent, North) (Lab): It falls to me, a girl from Biddulph in Staffordshire, to pay tribute to the public service that the hon. Member for South Staffordshire (Sir Patrick Cormack) has shown over his 40 years here. From reading through *Hansard* for the three previous days, it is clear to me that as well as having debates about the Budget itself, we have had valedictory contributions. Many Members are leaving and want to ensure that this place remains one in which what actually matters to our constituents is discussed and what we do really counts and makes a difference.

[Joan Walley]

That was the case with my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) when he made £650 million available in a previous Budget. That meant that schools in Stoke-on-Trent that had not had any proper accommodation, never mind paint to improve it, had some money to rebuild. I refer particularly to Holden Lane high school. It became the first refurbished school in Stoke-on-Trent, which made a huge difference.

I am pleased that the Chief Secretary to the Treasury is in his place. It might come as no surprise to him that there is really only one reason for my being here for this debate, which will become clear shortly. It is important that he is here to listen to what Members of all parties have to say. I accept his apology and am very pleased that he is here now.

I turn to what is in the Budget in general, and I have to say that it has a lot to commend it. Of course we are in the run-up to the general election, so it is different from Budgets in previous years, but as we try to come through the recession, the most important thing is that we do nothing to destabilise the recovery. The worst thing that could possibly happen would be to undermine the recovery that the Chancellor has embarked upon. I want to ensure that the House recognises what a difference the detail and small print of the Budget will make. I am thinking particularly about support for business growth and the 20,000 extra undergraduate places, which I know will make a difference. Education, education, education is the way out of the poverty and lack of hope that so many of our constituents find themselves in. The hon. Member for South Staffordshire will know, as I do, the importance of the work of our Staffordshire institutions, not least Staffordshire university, of which I am an honorary doctor.

I am sure that my right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher) will refer to the green investment bank and the provision in the Budget for green environmental technologies, as well as the importance of targeted support for households and individuals. Mention is also made in the Budget of the importance of regional government and regional Ministers, and it sets out the hope that if at all possible, Government offices, regional development agencies and parts of the Homes and Communities Agency will be relocated. To link in with the theme that is coming from the Department for Communities and Local Government, it sets out how we can have a Total Place response to ensuring that Government Departments work in a vertical way alongside local authorities so that their policies make a difference. There is enough in the Budget to help with that.

It will come as no surprise to my right hon. Friend the Chief Secretary, if not to you, Mr. Deputy Speaker, if I say that there is really only one overriding reason why I should wish to speak in this afternoon's debate. It is simply to make the case for the Government relocating Departments to the city of Stoke-on-Trent and to the Potteries, where—I have to mention this—we shall celebrate on 1 April the centenary of the federation of the six pottery towns of Stoke-on-Trent: Tunstall, Burslem, Hanley, Fenton, Stoke and Longton. What subsequently became a city was formed simply because of the pottery manufacturers wanting a brand name so that they could trade their ceramics and tableware on the global stage. That was why the city of Stoke-on-Trent came about.

It is no surprise that because there has been so much outsourcing, our traditional manufacturing industry—in not just ceramics, but all the associated manufacturing that goes with that—has suffered structural decline. That is not to say that some of our existing manufacturing businesses are not doing very well, and I am not talking down Stoke-on-Trent because we have huge opportunities, but structural challenges that existed before the recession remain. The important thing is to recognise what the Government and Parliament can do. That is why this Budget debate is so important to us.

The recent reports from the Centre for Cities show that we have high numbers of jobseekers and that we have lost a large number of private sector jobs. For that reason, it is critical that the Government intend to build on the 2004 Michael Lyons report. They need to ensure that in addition to the 20,000 jobs that have already been allocated away from London and the south-east to other strategic areas around the country, they drive the agenda to ensure that the Ian R. Smith report that has come about as a result of the Budget—"Relocation: transforming where and how government works"—applies to Stoke-on-Trent. That is critical: That could provide the extra jobs that our city, in its centenary year of federation, actually needs.

I want the Chief Secretary, when he comes to reply, to refer not only to the fact that I have come along to the Chamber tonight on the fourth day of the Budget debate to raise this matter, but to tell the House that my colleagues and I have been raising it consistently since the Lyons report came out. Perhaps we have not put a sound enough business case for Stoke-on-Trent, but we have had the intent and the objectives—in that I include the chamber of commerce and the North Staffordshire Regeneration Partnership.

We have been thwarted by how the Office of Government Commerce has looked at relocation. It says, "Oh, we'll leave it to the heads of the civil service and let them decide which areas, which parts of the country and which regions will be best suited for those newly created jobs." I want that to change. I have read the detail of the Smith report, which we are debating as part of the fourth day of the Budget debate. It clearly states that the Government should show leadership and that there should be a way for Regional Ministers to come together. I want a Regional Minister who really makes the case for Stoke-on-Trent's needs—I know that our current Regional Minister does that.

The proposals in the report also set out a new way of government and there is talk of seeing government in a new, integrated way. Perhaps given our desire for Parliament to connect better with the people whom we represent, we should propose to relocate Parliament to somewhere in the centre of the country—somewhere that has the most fantastic links, which this Government have provided along the west coast main line, so that we would have good access.

The most important thing for me is that a further 15,000 jobs or so are going to be created. The Chief Secretary has said:

> "Over the past few years, we have moved something like 24,000 jobs out of London and the south-east. Just before the pre-Budget report, we said that we would seek to move another 13,000 out over the next few years. I would be very happy to sit down with my hon. Friend and other colleagues from Stoke-on-Trent to talk

about how we can maximise Stoke-on-Trent's chances of getting a big share of those new jobs." [*Official Report*, 15 December 2009; Vol. 502, c. 800.]

I wanted to speak in this debate to ensure that after the election—I intend to be part of this House then—those talks can resume.

6.44 pm

Miss Ann Widdecombe (Maidstone and The Weald) (Con): I am following my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack) in that this will be my last speech in the House of Commons. Unlike him, I cannot claim a 40-year record—I have had a mere 23 years in this place—but I always imagined that when I was making my last speech and about to depart, I would be sad. Instead, I find that my uppermost sentiment is one of profound relief. I sincerely hope that future generations of Members of this House will be able to serve in an atmosphere free of the welter of public vituperation and vilification that this Parliament has been confronted with, and that there will once again be a recognition on the part of the public that the overwhelming majority of people who come here—on both sides of the House and in all parties—do so with some degree, and sometimes quite a lot, of sacrifice, in terms of either finance or family. My hope for the future is that some calmness and some respect will again prevail.

Whereas my hon. Friend came here with a sense of history, I came here with a sense of the future. My maiden speech was on Trident. Of course, at that time, I was very much in favour of keeping Trident, and those on these Opposition Benches, which were then occupied by the Labour party, were very much opposed to that. I am delighted that they have seen the error of their ways, and that they now in fact see the merits of Trident. That gives me great hope. They also now see the merits of privatisation, so I am very hopeful that at some stage in the future, they will see sense on a great many other things as well, and that a far more sensible and down-to-earth approach will prevail among them.

However, my main hope was that we would have a smaller state and a larger individual. My other main hopes, to which I shall address the main body of my remarks—I took this for granted at the time, but now I do not—were that we would have a stable society, in which the family was the bedrock, respected and supported by Governments of whatever party, and that citizens could feel safe and live decently, regardless of the income that they had at their disposal, and regardless of where they were obliged to live in this country. I want to direct the rest of my remarks in this Budget debate to measures that I feel are still desperately needed, and that would go some way towards securing those objectives.

I turn first of all to the family. If in our time there has been an assault on any great institution, it has been not on the House of Commons, but on the family. I am talking about the record levels of family break-up and the record numbers of young children who are growing up in houses where the parents have split, who are expected to split their time, emotions and whereabouts between those parents. But for all the many families like that, there are plenty of other parents who stay together in a committed and subsisting marriage, and who wish to bring their children up in a stable environment. I therefore wish to draw particular attention to the plight—and it is a plight—of the non-working mother.

When a family decides that upon the birth of the first child, the mother—it may sometimes be the father, but statistically it is usually the mother—will stay at home to take on the full-time duty of bringing up that child, they are faced with moving almost overnight, from being two people living on two incomes, to being three people living on one income. Where that family is well off, that is not such a big issue, but for the majority of families that model, which many would like to follow, is now but a distant aspiration. There are many reasons for that, and it has not been helped by the prevailing social view that somehow there is something intrinsically second class about the woman who opts voluntarily to stay at home and bring up her children.

While I have been in this place, I am pleased to say that I have lost three secretaries to full-time motherhood—I am not pleased that I lost them, but pleased for the reason that I lost them. The most recent said to me that she spends all her time trying to justify to her friends and contemporaries why she had chosen not to come back to work when the child was born.

The social attitudes do not help, but there are also massive financial considerations. As a result of property prices and the huge mortgages that are necessary, it is simply impossible in many families for one of the parents to say that they will stop earning. Therefore, every shred of help that we can give to such families should be given by the Government of the day. It is especially iniquitous that there should be such a difference between the support given to a family where the mother has decided on full-time motherhood—which is the highest calling, because those mothers are bringing up the citizens of tomorrow—and to families where the parents have decided to carry on working. This example is given by Peter Saunders, professor of sociology, who points out that

"if both parents go out to work and put their children into childcare, the government gives them each a £6,035 tax-free allowance, as well as heavily subsidising their child care costs. But if they prefer to look after their children themselves, sacrificing one income and foregoing all the child care subsidies, the government penalises them by making the stay-at-home parent forfeit her (or his) right to a tax-free income."

That is one of the most scandalous inequalities that we have.

We not only fail to support the non-working wife, but we positively pour support on those people who are existing on two incomes rather than one. Much of that inequality stems from the decline in the respect for marriage that we used to take for granted in our society. That is one of the groups of people about whom I wished to talk about today—the non-working mother. I see nothing in this Budget to help the non-working mother, but I see much in some of the Conservative proposals that might help the non-working mother if they are fully implemented. In any case, the Government are wrong to have ignored this problem, and in the wind-up I would like to hear what the Government will do—in the limited time available to them—to give some support to the non-working, stay-at-home, full-time mother.

The other group are those about whom I have spoken in this House before, and whom I have always called the forgotten decents. These are the law-abiding decent citizens, often but not always families—perhaps pensioners, a couple whose family has grown up and gone or single

[Miss Ann Widdecombe]

persons—who, because of a lack of resources, cannot escape from the environment in which they are trapped. I refer particularly, but not exclusively, to those big inner-city council estates where people have no aspiration but living a normal, unmolested life. That does not seem to be a ridiculous aspiration for a British citizen. But those people often do not dare even to leave their houses or flats after dark—not only after 8 or 9 pm, but even 6 or 7 pm—because they would be subjected to intimidation, robbery and thuggery. They live with that prevailing fear.

Mothers who live on such estates have told me, and continue to tell me, as nothing much appears to have changed, that before they let their children out to play—which should be a normal activity—they have to check the surrounding area for needles. It is in those areas where the law-abiding live behind bars, because they fortify their homes like Fort Knox. There is wanton vandalism on those big estates and I vividly remember talking to one person who was disabled and had therefore no choice but to live on the ground floor. He could not live any higher: he had to occupy the ground floor. He had a pathetic, small patch in front of his flat where he had put pot plants to try to make a pleasant area in which to sit out in his wheelchair. Is that such a big aspiration? But his garden was regularly vandalised and finally every last plant was destroyed when some yob threw acid all over them.

Are those areas policed? Is there a regular police presence on which those ordinary and modest British citizens can call? The answer is no. The regular plaint goes up, "We rarely"—they do not say never, because that would be an exaggeration—"see a policeman." There is no visible deterrent walking around these streets in the form of someone who could be called on by those who feel afraid. Money spent on policing those areas or bringing any other sort of hope to those areas would be money well spent. I do not see much encouragement for those people—the forgotten decents—in this Budget. I hope that I am wrong. I hope that in the wind-up, the Minister will be able to point to measures that have been taken, but I have deliberately chosen in this, my last speech, just two groups of ordinary, decent people—full-time mothers who just want to be able to afford to bring their kids up and not feel compelled to go out to work, and those who live in terrible areas and cannot get out of them, where every agency shrugs and they are abandoned by those whose job it is to look after them. Ultimately, that job is the Government's.

6.59 pm

Frank Dobson (Holborn and St. Pancras) (Lab): Subject to the views of the electorate of Holborn and St. Pancras, it is not my intention not to be here after the general election, but I wish to pay tribute to the two veteran Members whom we have just heard. However, I will not attempt to follow them because I welcome the Budget statement and the Government's and the Chancellor's refusal to listen to the siren voices who demand cuts before the recovery from the recession is well under way. My view is that we will need to be fairly careful about cuts in public spending and public investment even when the recovery is well under way. The definition of a recession, in many ways, is that the economy is working below its maximum, and the best way to deal with deficits, debts and practically every imaginable problem is to get that economy back to working at its maximum as soon as possible. Slashing investment stifles growth; it does not encourage it.

I was not surprised—but it was saddening—to hear the shadow Business Secretary harking back to the days of Mrs. Thatcher, on the basis that, if it is not hurting, it is not working. He gave the impression that her policies of slashing public services promoted economic growth, but nothing could be further from the truth. Average annual economic growth under Mrs. Thatcher was lower than the average under the preceding Wilson and Callaghan Governments. Things went down, not up, as a result of those policies. We also had massive inflation during that time. The lowest inflation under Mrs. Thatcher in a year was 3.4 per cent., and it averaged 7 per cent. It was all kept afloat with takings from the North sea and privatisation, and that money was squandered: it was not invested in industry—there was not a British sovereign investment fund—research or training. However, some of the decisions that the Chancellor has made in the Budget mean that there will be investment in industry, research and even more in training.

We must remember that the biggest beneficiaries of the economic policies of the Thatcher Government were the finance industry and the speculators—the speculators who have been ruining the world economy for donkey's years now, whipping up and down the world price of oil and gas. There can be no rational justification for the price of a barrel of oil falling from $140 to $80 in the space of a fortnight—that is speculation and nothing else. There was also speculation in the price of wheat and rice. When I was in Bangladesh, I asked a rice farmer whether the price he was paid for his rice had quadrupled in the previous year, but he had not seen a penny of that. Price changes took place partly on the American markets. There are also the speculators in currencies.

The changes and relaxations introduced under Mrs. Thatcher contributed to—I do not say that they brought it about—the banking crisis, and the banking crisis has undoubtedly caused most of the deficit, directly as a result of the taxpayer having to provide bail-out funds to some of the banks that were going broke and to give guarantees to others to prevent them from going broke. The banking crisis has indirectly caused the recession, and the recession has caused the fall in output and tax take and led to more benefits being paid out. We do not need to stop investing; we need more investment to counter the downturn and to get back to maximising output. When someone loses their job, we all lose out: we lose the goods or services that they were producing, the tax that they would have paid had they been employed and then there are the benefits that we have to pay out to keep them and their families going. As I understand it, it averages at least £12,000 a year to keep someone out of work—so keeping people out of work adds to the deficit.

The Government's measures have been working. The jobless total is fewer than the wiseacres were predicting, the number of houses repossessed is lower than the level predicted by the wiseacres in the City; and there has been an element of recovery. It has to be said that Britain has led the way. I know it is a commonplace to mock the Prime Minister, but I put more faith in the words of Paul Krugman, who won the Nobel prize for

economics for his study of recessions and knows what he is talking about. In response to what the Prime Minister did in the year running up to the G20 summit in London, Krugman said that the Prime Minister had acted with "stunning speed", and had

"defined the character of the worldwide rescue effort, with other wealthy nations playing catch-up".

and that he and the Chancellor had displayed a

"combination of clarity and decisiveness"

that had not

"been matched by any other Western government".

So when some trivial tripehound from the City comes on the "Today" programme or one of the other BBC or ITV programmes, I would stick with Krugman.

The Government should not be pushed off course by economists led, for instance, by Howard Davies of the London School of Economics. When the Government nationalised Northern Rock, he gave us the benefit of his view that it would undermine the reputation and standing of the City of London in the eyes of the finance industries in other parts of the world. Get real, Howard! The City and Wall Street have been hoist by their own petard. What they were doing has blown up in their faces.

Let us consider Lehman Brothers, whose auditor was Ernst and Young. Then we are faced with the output of the Ernst and Young ITEM Club, and we are expected to take notice of the predictions and are told that we need to recognise what wonderful people they are. Well, Ernst and Young was an item with Lehman Brothers in the other sense—they formed a couple that could not have been closer as they covered up for one another. And they, of course, were assisted by the noble Linklaters, the City solicitors, which actually provided cover here—cover that even some of the dodgy lawyers on Wall Street had refused to give—for what Lehman Brothers was doing worldwide.

These bankers, their auditors and the ratings agencies caused the banking crisis, and these self-same people are now demanding cuts in investment, while insisting that their bonus culture continue. Bankers apparently need mega-pay and bonuses to compete internationally, but everybody else has to take lower pay and worse working terms and conditions to compete globally. Who are these bankers and auditors and what is their track record? I have checked. Next time someone from KPMG gives us advice on finance, remember that it was supposed to be HBOS's and Bradford & Bingley's auditor. Next time Deloitte sends someone to give advice, remember that it was the auditor for the Royal Bank of Scotland—and a cracking good job it did! PricewaterhouseCoopers was the auditor of Northern Rock, and I have already mentioned Ernst and Young, which allegedly was the auditor of Lehman Brothers.

Let us consider the banks themselves. The shadow Chief Secretary to the Treasury, in a previous debate, quoted the wisdom of somebody from the City Group, but it lost $55 billion. It bought up—or got into bed with—Merrill Lynch, which lost $51 billion. We might get someone from UBS telling us what we ought to be doing about our public services, but it only lost $44 billion. HSBC lost $27 billion; the Royal Bank of Scotland lost $15 billion; and Morgan Stanley and JP Morgan both lost $14 billion, yet we are expected to take notice of them.

Then there are the ratings agencies. They gave triple-A ratings to all the rubbish that brought the international banking system to its knees, and now we have got to listen to them. Are they seriously saying that they believe that a United Kingdom Government would default on their borrowing? If they are not saying that, there is no reason at all why the British Government should have any difficulty getting their bonds on to the market. We have got to take an altogether more rigorous approach. We have got to reach a situation in which the banking industry is working for the rest of us. We can no longer continue with a situation in which the rest of us are working for the worldwide banking industry. We need a yet more radical response than we have had. We have got to end the fail-safe arrangements for the dodgy dealers. There should be no more bailing out of the people who got us into this mess.

I am genuinely fearful that unless we do something about the problem, the democratic institutions that we subscribe to will be in danger. If the people think that their elected representatives cannot protect them from what is happening in this world, while another group of people are still being paid multiples of millions of pounds in bonuses, I do not think that they will tolerate it. They will turn their attentions to those who say, "We can do away with this." If I were running the British National party, I would be delighted with the present situation, with bankers lining their pockets and handbags, and teachers, nurses and firefighters being told that their meagre pensions pose a problem for the economy. Those teachers, nurses, firefighters and others did not get it wrong, but they are being expected to pay the price. The bankers undoubtedly did get it wrong. They are not going to have to pay the price; they are claiming the right still to be paid bonuses. Such a society will not be easy to sustain. Indeed, I think that there will be a threat to our democracy and to this institution unless we do something to change the balance and provide greater protection to ordinary people against the people who speculated us into the mess that we are in now.

I welcome the Budget and the fact that we have not fallen for the silly idea of cutting investment before the recovery is well under way. However, we shall have to be careful about making cuts even when the recovery is well under way. We need the economy working at maximum output. That is the best way to deal with the deficit, debt and nearly every other problem that this country is afflicted with.

7.13 pm

Mr. David Heathcoat-Amory (Wells) (Con): I am pleased to follow the right hon. Member for Holborn and St. Pancras (Frank Dobson), although I cannot accept his prescription for growth, which consisted of little more than more public expenditure—or "investment", as he called it—which is what got us into this trouble in the first place. His criticism of auditors had some traction, but they had far less to do with the problem than the failings of the tripartite system of banking regulation, which was set up by the Bank of England Act 1998, and which spectacularly failed when the banking crisis occurred.

I am also pleased to follow my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack) and my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe), both of whom

[Mr. David Heathcoat-Amory]

made fine valedictory speeches. We will miss them both in the next Parliament, which I hope to be part of. We will long remember their speeches, particularly the sense of history and tradition brought by my hon. Friend the Member for South Staffordshire, which was a hallmark of his years here, and the passionate defence that my right hon. Friend the Member for Maidstone and The Weald made of the family and her support for it. She will long be remembered for those causes as well.

It is a shattering commentary on the Government and their Budget that borrowing this year will be only £167 billion, which is slightly less than the £178 billion predicted by the Chancellor last year. Whatever figure is right, we are now in the premier league for debt, which will dominate the next Parliament and probably the one after it. We are entering a decade of debt, and even on the Government's own figures, the national debt will rise during the next Parliament to £1.4 trillion. A trillion sounds a lot, and it is. That is perhaps best illustrated this way. If we were to repay debt at £1 a second, we would repay £1 million of debt after 12 days. It would take much longer to repay £1 billion. At the same rate of repayment, it would take 32 years to repay £1 billion. To repay £1 trillion at the rate of £1 a second would take 32,000 years, and that is just £1 trillion, because the Government are increasing the debt to nearly £1.5 trillion. The task before us is therefore truly awesome. There is also an intergenerational problem and a question of fairness. Are we really going to hand on to our children a debt that we have incurred? It is already the case that a baby born in Britain today arrives with a debt around its neck. That is not a sure start; it is a debt start, and it is up to us—*[Interruption.]*

Mr. Deputy Speaker: Order. I am sorry to interrupt the right hon. Gentleman, but there is a three-way conversation going on from a sedentary position that is now starting to disturb the debate.

Mr. Heathcoat-Amory: I am grateful to you, Mr. Deputy Speaker.

Mr. Jeremy Browne (Taunton) (LD): The reason for our noises off was that if 1 million seconds last for 12 days and 1,000 million is 1 billion, we are confused about whether 1 billion seconds would last for 32 years, which is certainly more than 1,000 times 12 days. I suspect that the right hon. Gentleman is defining a billion as 1 million million, but that is not the definition that the Government use when calculating borrowing.

Mr. Heathcoat-Amory: No, but the hon. Gentleman had better check his arithmetic. I have done mine, and it is the case that on the Government's own figures it would take 32 years to repay £1 billion and 32,000 years to repay £1 trillion. I do not expect the Treasury to understand those figures, and I am a little disappointed in the hon. Gentleman from the Liberal Democrats, although I am perfectly certain that those on the Conservative Front Bench will understand them.

Mr. Newmark: It would perhaps be much easier for anyone listening to this debate to understand that £1.4 trillion of debt, which is roughly what we will be left with, approximates to about £46,000 of debt for every individual in this country by 2014.

Mr. Heathcoat-Amory: I am grateful to my hon. Friend for that illustration. I think that we can all agree that we are talking about a pretty big debt, and there are only three ways of bringing it down: tax, raising the national growth rate, or cutting expenditure. There are no other ways of doing it, and I want to say a word on each.

If the solution was taxation, we would have solved all our problems many years ago. It is a hallmark of this Government that their solution to every problem is tax and spend. That is the only consistent economic policy that I can detect from the Treasury Bench. In fact, the Chancellor is the perhaps unwitting originator of the phrase "stealth tax". When I was shadow Chief Secretary in 1997, the present Chancellor sat opposite me as Chief Secretary. I read up some of his old speeches. They were pretty heavy going, but I spotted that he had criticised taxation by stealth. I started to use the phrase and it came into common currency. We can therefore say that the Chancellor conceived the phrase. I might have been the midwife and given it currency, but we can definitely agree that the present Chancellor is the prime practitioner of stealth taxation, and there are plenty more examples in last week's Budget.

I should like to dwell for a moment on a non-stealth tax: the increase in cider duty was at least declared in the Budget speech. I come from the west country, where cider making is an important local industry. It is an environmentally benign, indigenous industry, and an important employer, but it is now being subjected to a vindictive and quite unnecessary 13 per cent. tax rise that will do great damage, particularly as the industry relies on long-term planning. Cider makers plant orchards, or persuade farmers to do so, and sign contracts with the people who buy the fruit. The industry needs to be able to plan, and for the Government suddenly to announce this vicious tax rise shows that they do not understand the second component of deficit reduction, which is raising the level of economic growth. Indeed, the Government's own so-called deficit reduction plan depends crucially on the growth targets that were declared in the Budget, which I do not believe; I think that they are too optimistic.

The Government's entire political philosophy—let alone their economic philosophy—is founded on their belief in tax and spend. That in turn depends on their mistaken belief that, in their 13 years in office, they have discovered a philosopher's stone of continuous, low-inflationary growth on which they can permanently depend. Well, the credit crunch happened, and that belief was cruelly exposed. The real foundations for economic growth have nothing to do with Government expenditure: growth depends on the supply-side reforms at the level of the firm that were pushed through in the face of relentless opposition during the 1980s and 1990s. Those reforms secured a competitive advantage for this country in world markets.

I cannot overstate the challenge that this country faces, in the face of pitiless international competition. There is only one way to get out of this mess. It is not to spend our way out, or to borrow our way out; it is to earn our way out. That will critically depend on the national growth rate, which has been eroded over 13 years of extra taxes, of tax complexity, of a benefit system that no one understands, and of over-regulation. There is not the slightest indication that the Government

understand that, or that they have learned from those mistakes. They do not understand issues of competitiveness, risk or commerce.

As we read the Budget documents and listen to the Chancellor speak, we are taken back to the 1970s with all his talk of state growth funds, innovation units and a green bank. Why do the Government want to own another bank? They already own great sections of the British banking industry. Now they want to own a new one, but it will be no more successful than the discredited regional venture capital funds. They were the target of well-merited criticism by the National Audit Office, which showed that their investments are worth only a fraction of what they cost.

I hope that my colleagues on the Front Bench will summon up the determination completely to abolish the regional development agencies. They are run by people who do not understand business. They give out loans and grants to the most vociferous, rather than to the most economically deserving. The one in the south-west is a byword for incompetence and waste.

My message is that we must concentrate on micro-economics and on getting the conditions on the ground right for business, industry and enterprise to flourish. That is not easy. The easy part of politics is spending other people's money. As Milton Friedman told us, there are only two kinds of money in the world: your money and my money. The easiest thing for me to do is to spend your money. We need to get back to attention to detail, and away from this blundering interference by central Government and all their agencies, with their mania for regulation and taxes as a solution to our problems.

The third pillar of recovery involves tackling public expenditure. The challenge there is not to make new, exaggerated claims about cutting this and that, but to show that announced reductions can really be made. I am afraid that we shall have to go well beyond that old favourite, efficiency savings. I have sat through and participated in 27 Budgets, some as a junior Minister, and I have heard references to efficiency savings in all of them. Of course they are important, but I am afraid that we shall need to go much further. We need to re-engineer government. Quite simply, we need to run official Britain at a lower cost, and that is going to require creativity, determination and flair. I see those qualities among those on my Front Bench, and I believe that they can do it, but it will not be easy, and it will require a change. Those on the Government Front Bench have not the slightest interest in this, nor do they have the talent for it.

I should like to talk briefly about pensions. They are the submerged whale of the problem. They are submerged because they appear on no Government balance sheet. I have asked Ministers about this at questions. According to many independent estimates, the scale of the public deficit on pensions is more than £1 trillion. Tackling that will also require great courage and determination.

I must also mention the EU budget, as I think is expected of me in these debates. It is a disgrace that our net contributions next year will rise to the new figure of £1.6 billion. There is no interest in restraint or economy in the European Union; I know that because I sit on the European Scrutiny Committee and we see a weekly blizzard of proposals for new regulations, laws and spending. Now they want an economic Government in the European Union. That, too, has to be tackled. It will be difficult, because there is no easy or legal way of challenging it—certainly not according to my Committee.

Next year's EU budget is going to go up again. My Committee advises that the social policy agenda is going up by 21 per cent., and that the already enormous structural funds are going up by nearly 7 per cent. The decentralised agencies are the European quangos, and they are even less accountable than the ones we deal with. I wonder whether the House can guess by how much the expenditure on those agencies is going to go up next year. The answer is 53.3 per cent. We are in the middle of a European recession. If national Governments are having to make cuts, why cannot the European Union play its part? It is because it has a dynamic to spend taxpayers' money, and there is no countervailing force to oppose it. There is also no willingness on the Government Benches even to challenge it.

All these problems need to be tackled, but, as my hon. Friend the Member for South Staffordshire said, we need hope. It can be done. We have faced such problems before, as a country. This is not a counsel of despair because we can overcome these problems. That cannot be done, however, by a Government who spend now, tax later and leave the debt to be dealt with later still.

Mr. Browne: I am grateful to the right hon. Gentleman for giving way, for two reasons. The first is that I want to support his comments about cider, and particularly about the long-term planning that needs to go into ensuring that the right apples are produced for cider manufacture. The second is that I want to apologise to him. Having had a bit more time to do my mental arithmetic, I realise that 1 billion seconds will indeed last for 32 years. I hope that our earlier conversation was not too misleading and to be able to use that impressive statistic myself at some point.

Mr. Heathcoat-Amory: I am grateful to the hon. Gentleman. We have heard a few apologies in the Chamber this afternoon, and I accept his. Perhaps he has been taking arithmetic lessons from the hon. Member for Twickenham (Dr. Cable), who is now sitting next to him. I can promise him—and he must now agree—that a £1 trillion debt would take 32,000 years to repay, at £1 a second. I can assure him that these are not American billions or Labour billions but British billions.

I shall end in the spirit in which I came in: this is going to be difficult, but it is possible. What is absolutely certain is that it will require a change of Government. This Government's time is up, and the date in question is 6 May.

Several hon. Members *rose*—

Mr. Deputy Speaker: Order. To deal with much smaller numbers than those we have just heard about, after the next two speeches—one from each side of the House—the time limit on Back-Bencher speeches will come down to 12 minutes.

7.30 pm

Mr. Michael Meacher (Oldham, West and Royton) (Lab): This has been an evening of memorable valedictory speeches, so I do not think we should let this moment pass without paying tribute to two Members—the hon. Member for South Staffordshire (Sir Patrick Cormack)

[Mr. Michael Meacher]

and the right hon. Member for Maidstone and The Weald (Miss Widdecombe)—who are leaving. However often and however much I have disagreed with them, I have always regarded them both as great parliamentarians who have spoken with sincerity and integrity and, as illustrated here again tonight, with a sense of values and principles in which they passionately believe. I believe that they have set an example to all of us. I also agree with what they both said about the need for a new Parliament after the election that is very different from this quarrelsome and vituperative one that we have had—one that can earn the respect of the electorate because we represent the democratic centrality of Parliament. I think that both those Members will be greatly missed.

I will be brief—I will probably not use my 15 minutes—and I want to concentrate on the general structure and strategy of the Budget. I begin by congratulating my right hon. Friend the Chancellor on, once again, showing how adept he is at playing a difficult hand well. He has navigated a sensitive balance between preventing a double-dip recession, not endangering the recovery, keeping the financial markets on side and at least beginning to reverse some of the more grotesque inequalities that, in my view, so badly mar the face of Britain today.

Having said that, I remain concerned about the proposed strategy for reducing the deficit, particularly the relative weight allotted to higher taxes, public spending cuts and higher economic growth in achieving that objective. The Treasury has proposed tax increases of £19 billion and public spending cuts of £38 billion. If the deficit of £167 billion is to be halved within four years—reducing it to £83 billion—that must mean economic growth yielding something in the order of £26 billion.

I think that the first of those objectives on tax is readily achievable. At last it is being accepted that the burden of tax should rest much more on the shoulders of those who have made disproportionately huge gains in the last decade or two, not least on the shoulders of those responsible for the slump in the first place. The 50 per cent. top tax rate, the bonus tax on bankers, the loss of personal allowances, the freezing of inheritance thresholds and the mansion stamp duty tax will not have any effect on roughly 95 per cent. of the population. In fact, they will very largely be directed at the super-rich 1 per cent.

Frankly, I think it absurd for the Tory press to scream as they have over this last week that this is an attack on hard-working middle and high earners. Who do they think middle Britain actually are? The medium income in Britain today is £22,000, while one third of the population subsists on less than £15,000 a year—a fact that we in this Chamber ought never to forget. The term "middle Britain" roughly applies to those earning between £15,000 and £30,000 a year, whereas the Budget increases will affect hardly anyone earning less than £70,000 a year. This is not spite; it is, at last, the beginnings of a switch back to some semblance of fairness. For that, I praise my right hon. Friend the Chancellor.

Mr. Hayes: I am an admirer of the right hon. Gentleman and I share some of his views about the redistribution of advantages in society. Nevertheless, freezing tax thresholds and increasing national insurance could not by any measure be described as the most progressive ways of enforcing tax increases in line with his ambitions.

Mr. Meacher: I was referring to the tax increases in this Budget, whereas the hon. Gentleman is referring to the increase in insurance, which was signalled by the Chancellor in the previous Budget. I agree, of course, that that applies across the board. My point is that most of the additions in this Budget are concentrated, with a degree of equity that we have not seen before, on those who can afford to pay for them.

As I was about to say, my only concern is why the Chancellor did not go further. Why are the 50 per cent. tax rate and the bankers' bonus taxes just a temporary one-off? Why are they not being made permanent? Why not take the cap off national insurance and make the well-off pay exactly the same proportion as the rest of the population? Why not end the loophole whereby City insiders redefine their income as capital gains so that they pay merely 18 per cent. capital gains tax rather than 40 per cent. income tax, which has made the City of London a virtual tax haven? Taking the lead from the Prime Minister, why do we not bring in a highly popular Robin Hood transaction tax on the banks, as other countries have done, without waiting for an international consensus? Yes, it would be better with such a consensus, but it can certainly be done effectively without it. If all those eminently reasonable proposals were pursued, the balance between tax increases for those who can well afford them and public expenditure cuts that hurt everyone else and begin to undermine the very core of our society could be substantially redressed.

One of the paradoxes—it has already come out in our debate—is that all three parties seem to be saying, with varying degrees of panache, that the coming round of spending cuts will be more swingeing than under Margaret Thatcher. Some parties say it with relish—the Tories will always grab at a chance to shrink the state—but the Labour party is very different in that respect. It might regard the cuts as a necessary pain to be endured, but if that is the party's view I would question it on two grounds.

First, if the Government are anywhere near accurate in their growth forecasts—1 to 1.5 per cent. this year, and 3 to 3.5 per cent. in the succeeding two years—the need for massive destabilising cuts is hugely reduced. If the Government are right in their predictions for the two years 2011 and 2012, gross national product will increase by about £100 billion, of which the Government's take would be roughly £40 billion. That alone would go a long way towards closing the deficit, thus significantly reducing the need for spending cuts.

I would be the first to express the doubt—other hon. Members might have the same view—that Government forecasts might well be unduly optimistic, but even if growth were only 2 per cent. a year, which I think is eminently plausible for those two years in a recovery, Government revenues would still increase by nearly £30 billion, which would make for a major shrinking of the deficit, greatly reducing the need for highly damaging cuts.

There is a second point, however. This is the one part of the Budget with which I take issue. In his statement, my right hon. Friend the Chancellor said:

> "We will not go back to the interventionism of the past, but nor can we return to the hands-off approach of the free-marketeers."—[*Official Report*, 24 March 2010; Vol. 508, c. 261.]

Of course no one wants a reversion to overall state planning, but the idea that the private sector is, or

should be, exclusively the engine of growth, or that it is the sole or main generator of efficiency, is a Thatcherite canard that should be dispensed with rapidly, because there is simply no evidence to justify it.

It cannot be asserted too often or too strongly that the present recession was caused by the dramatic collapse of private investment before the autumn of 2008. Between the preceding year and the succeeding year, there was a cataclysmic collapse in private investment amounting to, I believe, more than 35 per cent. That was hugely aggravated by the reckless excesses—again—of private banking, and the consequences of those excesses. I must tell Ministers that we have as yet been given no commitment, or even a hint, of the establishment of a committee of inquiry or royal commission to look into the causes of what happened and recommend ways of preventing it from happening again, which I believe is urgently needed.

What I think is called for now is a partnership—I am not referring to interventionism—between the public and private sectors, in which at times of deep recession the public sector would take the lead. Private investment will not improve until the prospects of profitability improve substantially. Merely titillating the private sector with a range of tingling but rather small incentives—which is what the Budget does, because my right hon. Friend's room for manoeuvre was extremely small—will not generate the necessary scale of recovery within anything like the time scale that is required for a Government to deal with the still very high level of unemployment. Let us never forget that 2.5 million people remain jobless.

Mr. Hayes *rose—*

Mr. Meacher: I will give way to the hon. Gentleman for the second time.

Mr. Hayes: I am grateful to the right hon. Gentleman. It is arguable that, as he is asserting, in an ordinary economic cycle with consequent ordinary economic conditions, a case could be made for increased public borrowing to offset private saving, but this is not an ordinary saving. The deficit is structural, not cyclical, to an unprecedented degree. I therefore suggest that the right hon. Gentleman's argument does not hold water, although he and I may have a romantic affection for it.

Mr. Meacher: Of course I take the hon. Gentleman's point. There is a significant structural deficit as well as the cyclical deficit. Whichever form of deficit we are considering, however, what the market wants is not the cutting of the deficit per se, but the prospect of the economy's being pushed strongly towards a course of growth that will reduce the deficit more quickly and more effectively than any other measure.

I think that the role of the public sector is important in that context, especially given the depth of the recession. I do not say this to be aggravating, but it is factually clear that the private sector will never be prepared to make the first move without the support of—indeed, a strong, vigorous lead from—the public sector. I believe that the one serious omission from the Budget is the omission of any systematic action by Government to promote public sector jobs programmes in certain sectors. The decline in house building has been greater than any in the last 80 years—1.8 million households, 12,000 of them in my constituency, are stranded on the waiting list—and there has also been a decline in infrastructure improvement. We are talking not about "make work" jobs, but about jobs that are desperately needed in our society at present. I believe that there is broad agreement on the need to drive forward the new green, digital economy. That must be done if we are to reduce unemployment by 1 million in two years, thus swinging the economy out of budget-dependent joblessness into job-providing growth yielding higher revenues for the Treasury in the form of income tax, national insurance and VAT.

Let me give credit where it is due: the Government have moved a considerable distance from the market triumphalism of the last three decades. Sadly, however, they are still stuck in Thatcher market mode, in which it is considered only appropriate for the private sector to take the lead. That is an absurd economic prejudice and, in my view, a serious mistake which this Government, once re-elected, should rapidly correct—thus giving a much better grounding to what could otherwise be described as a Budget that has been skilfully balanced in unprecedentedly difficult circumstances.

7.46 pm

Mr. Alex Salmond (Banff and Buchan) (SNP): It is a pleasure to follow the right hon. Member for Oldham, West and Royton (Mr. Meacher). As he probably knows, I would always have voted for him in internal Labour party elections if only I had had a vote in those contests. I agree with much of what he said, and I shall return to it shortly.

I have been taking part in Budget debates in this Chamber for 23 years. I know that that is a mere smidgen of time compared with the hon. Member for South Staffordshire (Sir Patrick Cormack), but it is a fair spell none the less. I warmly congratulate the Chancellor of the Exchequer, not on the direction of his Budget and still less on its content but certainly on its timing. He is one of the few Chancellors in recent times—over those 23 years—who have resisted the temptation to hold Budgets in the middle of the Cheltenham National Hunt festival. For that, and that alone, I am profoundly grateful, together with many other people in the country, and in that spirit of generosity I warmly congratulate him.

I said that I had participated in 23 Budget debates, but that is not entirely true. During the first, I was unfortunately and, of course, entirely unjustly suspended from the Chamber by a narrow vote of 354 to 19. It was, obviously, a close-run thing. Any of the 354 who are present now—certainly the hon. Member for South Staffordshire—will recognise the error of their ways. Checking the record today, however, I noted that one of the 19 was the Minister for Children, Young People and Families, the right hon. Member for Bristol, South (Dawn Primarolo). I do not forget these things. Let me assure the right hon. Lady that if—perish the thought—the Portillo effect were to overcome her in the coming election, a warm ministerial welcome would await her north of the border. However, I am sure that no such unfortunate circumstance will befall her in the coming campaign.

The Chief Secretary to the Treasury was unfortunate to miss the start of the debate today. Had he been present, he would have been treated to a fascinating vignette featuring the Secretary of State for Children, Schools and Families—the next Chancellor but one—and

[Mr. Alex Salmond]

the right hon. and learned Member for Rushcliffe (Mr. Clarke), the shadow Business Secretary, who were discussing whether the cuts proposed by the Government would indeed be deeper and tougher than those made by Margaret Thatcher. I do not think there is much doubt about the Chancellor's view. I have consulted Nick Robinson's Newslog, which has clearly overtaken *Hansard* as the main record of such matters. Last Thursday's edition reads as follows:

"I asked Alistair Darling to spell out how tough spending cuts could be:

Robinson: 'The Treasury's own figures suggest deeper, tougher than Thatcher's—do you accept that?'

Darling: 'They will be deeper and tougher'."

As far as the Chancellor was concerned, that seemed to be a pretty direct answer to a direct question, but as far as the Secretary of State was concerned earlier in today's debate, that was not the position as he understood it—initially, I thought, just for his Department, but it then emerged that, as he understood it, it was not the position for the entire Government. We went through a range of possible explanations, one of which was incredible. The Schools Secretary actually suggested that Margaret Thatcher had not been engaged in cutting education funding in real terms. I think he should tell Baron Hattersley, who on 12 July 1988 said that the then Prime Minister was planning "massive cuts" in education spending. Clearly, however, the passing of time has altered the Schools Secretary's memory of such occasions. Perhaps he was not advising Baron Hattersley at that particular time.

Mr. Leigh: I cannot help but ask the right hon. Gentleman this question: would he prefer to have a Labour or a Conservative Chancellor after the next election?

Mr. Salmond: Although I concede it may not be the likeliest circumstance to arise from the campaign and election, with balanced Parliaments a possibility, perhaps the hon. Member for Dundee, East (Stewart Hosie) will be taking up that role—or I understand that it might be the sainted presence on the Liberal Benches, the hon. Member for Twickenham (Dr. Cable). Unfortunately, it will not be my old friend the hon. Member for Thurrock (Andrew Mackinlay) since he, tragically in my view, has decided to forsake the House just when it needs him most to step in to that role. Any of these people, however, would be infinitely preferable to Tweedledum or Tweedledee, whom we might well get.

Enough of this frippery, however; let us move on to the substance—if I can find it—of the Budget. When Members make their final speech in the House, it is traditional for them to refer back to their maiden speech—after all, it often contains the best lines we ever deliver here. In my maiden speech, I said—and I meant it—that my constituency of Banff and Buchan has

"robust characters who work with their hands and get their faces dirty. They are involved in producing, making and catching things. They are people engaged in the manufacturing and primary sectors who are the real creators of wealth. If Government policy was orientated more to the primary and manufacturing sectors of industry, rather than to the rentier economy produced by the Conservative party, the long-term health and welfare of this country would be better served." —[*Official Report*, 29 June 1987; Vol. 118, c. 321.]

I believed that then and I believe it now, and I am astonished that the process over recent years has managed to make the rentier economy of Thatcher's Britain of the 1980s look like small beer, because it is clear that this Prime Minister, who once claimed to have abolished boom and bust, had pinned the foundations of that in a totally unsustainable fashion, and now we have landed in the largest bust since the great depression.

When I was elected as a Member of Parliament back in 1987, the public sector's net worth—the value of public assets minus liabilities—stood at 74 per cent. of national income. By 1997, it had fallen to 15 per cent., and if we are to believe the forecasts in the Red Book—I should stress that "if"—in 2014-15 it will reach minus 5 per cent., which is the lowest level since records began. I suppose that boom and bust was abolished, therefore: certainly the boom bit has been abolished, and we have been left with the bust.

What I cannot understand in this process is that in the equivalent debate last year, when I suggested that the detail of the Red Book would, indeed, show that there would be greater cuts than those of Margaret Thatcher in the early 1980s, there was a huge amount of irritation from those on the Labour Benches. Now, however, the Chancellor—if not the Schools Secretary—admits that, and when the Chief Secretary appeared on "Question Time" last Thursday night with me, he immediately confirmed the Chancellor's view when that direct question was put to him. This is a serious situation.

I argued in the debate 12 months ago that until there is enough strength in the private sector, it is vital that fiscal stimulus is maintained. I am not alone in arguing that case. It is not only the right hon. Member for Oldham, West and Royton who agrees, but so too does the International Monetary Fund. We can both quote it in our favour, although that is not something we have done regularly over the years. None the less, the IMF argues that

"one of the key lessons from experiences of similar crises is that a premature withdrawal of policy stimulus can be very costly, particularly if the financial system is weak."

We believed that that was the Prime Minister's position for much of the last year with his warnings that "recklessly and rapidly" withdrawing Government support would

"risk driving our economy back into recession."

Also, the Chancellor argued in his Budget statement of this year:

"To start cutting now risks derailing the recovery". —[*Official Report*, 24 March 2010; Vol. 508, c. 235.]

Therefore, just as I looked at the Red Book last year and identified a trend of public spending cuts greater than that of Margaret Thatcher in the early 1980s, chart 2.5 of this year's Red Book clearly shows that the UK's fiscal stance for 2010-11 is negative. Discretionary fiscal policy will act to tighten public spending and taxation relative to 2009-10. One analyst states that

"despite all the warnings about withdrawal"

of

"support too early, the fiscal stance is being tightened in 2010/11 by 1.1 per cent. of GDP."

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): Does the right hon. Gentleman accept, however, that although the Chancellor's remarks may be seized upon and used for great merriment or other purposes, the truth of the matter is that during the years of the Thatcher curse we were not cutting away fat or meat; we were sawing at bones? Given that there has been a fourfold increase in vital services since Labour came to power, does the right hon. Gentleman accept that however deep the cuts, they will never match the damage done by the cuts under Thatcher?

Mr. Salmond: I advise the hon. Gentleman to look again at the projections in the Red Book, because if they are followed through they will wipe out all the expenditure and public spending gains in the previous 13 years. Although I do not want just to reiterate this single quote from the Chancellor, which will hang around Labour's neck in the coming campaign like an albatross, please let us remember that the Chancellor did not only say that the cuts would be "deeper"; he also said that they would be "tougher", by which he presumably meant he was going to cut deeply where no one had cut before.

That is the wrong approach. Among the G20 nations, only Argentina and the UK stand apart in choosing to provide no further fiscal stimulus. That might have been justifiable if the rate of recovery had exceeded the Chancellor's predictions, but that is not the case. The Red Book revised the growth forecast for coming years downwards, not upwards, yet despite that the fiscal response remains roughly as it was in the 2008 pre-Budget report.

With the honourable exception of the previous two speakers from the Labour Benches, especially the right hon. Member for Oldham, West and Royton, our debate has centred on how deeply the cuts in public spending must slice and how quickly they must happen. Therefore, it is right and proper that a different approach is suggested. I believe that the best way forward is to grow the economy out of recession for the very reasons the right hon. Gentleman spelled out: growth in the economy is the single greatest determinant of closing a budget deficit, just as a reduction—a loss of capacity in the economy, such as the 6 per cent. we have lost over the past two years—is the dominating and overwhelming reason for the £167 billion public sector deficit. The fiscal stimulus is not the cause of this record borrowing, therefore. The stimulus we have had over the last year is one of the reasons why the borrowing has not been even greater and why the economy has not gone totally off a cliff over the last 12 months. Therefore, it is all the more puzzling that the Red Book does not contain a stimulus for this year.

In the introduction to today's debate we were treated to a discussion of economic history from the shadow Business Secretary and the Schools Secretary. I was reminded that Denis Healey said that Margaret Thatcher had given us "sado-monetarism", but, of course, Joe Stiglitz has called the stance of this Government "fiscal fetishism" whereby

> "cutting back means the economy goes into a downturn and the markets lose even more confidence, triggering another recession or depression."

We should learn the lessons of other countries' experiences. In the 1990s, the Japanese Government's debt was 65 per cent. of GDP. Following a prolonged economic downturn and slowdown, they withdrew fiscal support too soon, and that debt is now approaching 200 per cent. of GDP.

There is a strong case for a directed capital acceleration or fiscal stimulus this coming year to do the very thing to which the right hon. Member for Oldham, West and Royton drew our attention: getting the economy moving into a growth cycle, which would have more effect than anything else in reducing the budget deficit. We cannot cut our way out of a recession, but we could cut our way into a double-dip recession. Yet the Red Book proposes no further fiscal stimulus, so that is precisely what those on the Treasury Bench are proposing.

These are difficult times for public finances and it is proper that we identify not only general efficiency savings, as the other parties have done, but projects that could be cut altogether and rendered null and void, thus saving the country billions of pounds. I am thinking of the £100 billion over the next generation that is proposed to be spent on Trident missiles. The right hon. Member for Maidstone and The Weald (Miss Widdecombe), who is leaving the House, said that one of her great delights during her time in this place was seeing both parties move to support the Trident missile. Let me forecast that both Labour and the Tories will have to move in the opposite direction over the next few years, because the missile system is now not only totally unjustifiable and immoral, but totally unaffordable under any sensible projection of the UK's finances.

As we ditch the Trident system, so let us ditch the remnants of the identity cards system, the underground repository for nuclear waste and, as the climax of this identifiable cuts agenda, which contrasts with the vagueness of the efficiency savings proposed by the Government and the Opposition, we could abolish an entire Government Department in the form of the Scotland Office in Dover house. That would save only £10 million, but I am sure that when the Conservative party looks into its innermost soul it will acknowledge that it has always wanted to abolish an entire Department and will see the sense and logic of getting rid of the Scotland Office, which has managed to overrun its budget by 15 per cent. over the past year. That has been done under the nose of the Chief Secretary to the Treasury.

I have enjoyed and relished this Chamber for all of my 23 years here. The rest of the Palace of Westminster I can take or leave, but this is a fantastic Chamber and a fantastic place for debate to be joined. It has a great atmosphere and at its best it is second only to the Scottish parliamentary Chamber, which looks better on telly. None the less, this is a fine place to have enjoyed debating. I have met and clashed with a number of formidable debaters and speakers from both sides of the House, and I have enjoyed every minute of doing that. I wish well the individual Members—if not necessarily their parties. However, I should say that what has happened over the past 23 years has strengthened my absolute conviction that the case for our having full determination over Scotland's finances and resources has never been more urgent and has never required to be better made than it is now.

Mr. Deputy Speaker: May I remind the House that there is now a 12-minute limit on Back-Bench speeches?

8.3 pm

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): It is an interesting experience following the right hon. Member for Banff and Buchan (Mr. Salmond),

[Mr. Ken Purchase]

who is known for his rapier wit. I shall resist the almost irresistible temptation to joust with him this evening, because I would not want to have to make a round condemnation of nationalism in any form. I, of course, wish him well in his future role in the Scottish Parliament. It would not have been my personal choice to have a Parliament in Scotland. Birmingham and its surroundings has a larger population than Scotland in any case, so if there is to be a Parliament in Scotland, there should, thus, certainly be a Parliament in the west midlands—but I think that we should resist that temptation too.

I welcome this Budget, not because I think it is scintillating or that it will transform people's lives but because this 14th Labour Budget was smart. It picked up on a little of the Belize debate, by bringing about a new tax regime. It was also smart in its use of changes in stamp duty. The Budget was sensible, because the windfalls afforded to us by lower unemployment than was expected and by the bigger take from the banking bonuses have been used to reassure the international markets, rather than to have a spending spree just before a general election. I believe that that is understood by the British public and will be appreciated.

The Budget is also well crafted. After almost every Labour Budget the Conservative press have done their best to disaggregate it, to take it apart and to ensure that nobody can feel that we have had a good Budget. We have had 14 very good Budgets, but this one was particularly well crafted and it has been extremely difficult to take it apart in the usual manner. Those 14 Budgets have meant cumulative benefits to my constituents which I do not think would have accrued from a continuation of Conservative policies. Pensioner credits, child credits, heating allowances, and Sure Start and children's centres make an extraordinary difference to the quality of life of people in my constituency, as does the minimum wage.

I do not think that the minimum wage is a substitute for vigorous trade union action. There can never be a better guarantee of good working conditions paid for at a proper rate than vigorous, strong and well supported trade unions. The minimum wage is a simple mechanism that, in the absence of strong trade unions, has produced a sensible outcome for people who were being paid a miserable pittance, of whom there were many in my constituency. I am thinking, in particular, of younger people in that regard. Younger people in my constituency were being paid as little as a pound an hour for working in a petrol station, and if there were any deficiencies at the end of the evening, they were expected to make those up. The minimum wage has been a very helpful development for my constituents.

Waiting times have reduced dramatically in the health service. We have four times as many consultants in my local hospital as there were previously. We also have the health teams to back them up: the nurses; the technicians; the maintenance workers on the estate; and the hotel service workers who deal with laundry, the food and the cleaning services, which are so vital to us. The massive improvements in waiting times have made such a difference to so many people. I pay tribute to the hon. Member for South Staffordshire (Sir Patrick Cormack), who gave an excellent speech, and I appreciate the support that he has given to the hospital that Wolverhampton shares with his constituency. This Government have done a terrific job in improving the quality of people's health, in ensuring better budgetary control, on the quality of treatment and, above all, on providing people with very much better service through these improved waiting times.

On education, considerable increases have, again, been made in staffing and we have brought new technology into classrooms. We said, "Education, education, education", but just as importantly the then Prime Minister promised that every child would have access to a computer. Who believed that that would happen? Now, every school that one visits has been re-equipped and equipped again with the latest technology to assist pupils in learning. That has been a tremendous achievement.

My disappointment, which I cannot cover up, is that we have spent far too much time on structures, new missions, reorganisations and this idea of choice—it is a myth really. I am sorry to say that until there is a 10 to 15 per cent. surplus of places, the idea of parental choice is nonsense. I wish that Labour Front Benchers had recognised right from the start that the Labour mantra "Every school a good school" was the right one for socialists to pursue. Despite the great increase in expenditure, which was most welcome, and other wonderful achievements, the obsession with form, content and reorganisation has been a missed opportunity.

On council housing, Labour has a great record on refurbishment, but why have we not been building? Why, in Wolverhampton, do we have as big a waiting list for council houses as we had in the 1970s when we were trying, and succeeding, to build council houses? If the health service is Labour's greatest legacy to date, the greatest legacy that we could produce for public health is the provision of well-maintained council housing for people who need it.

I want to discuss manufacturing, which is at the heart of my constituency. Throughout the post-war years, almost 70 per cent. of the people in my constituency were involved in manufacturing either directly or indirectly, but that percentage has fallen dramatically. From the '80s onwards, there were terrific job losses, which continued through later years. But modernisation has come, and productivity has been massively increased by the efforts of workers and managers pulling together to ensure that the best technology is available and that there is investment. Perhaps other hon. Members will, like me, recall visiting factories in their constituency where they would be likely to see a machine that had been pulled off the sea bed after the first world war, which some poor sod—excuse me, Mr. Deputy Speaker—had to operate. Now, old engineers like me can barely understand the technology that is being used to improve productivity in our factories.

I welcome the approach that we have taken to boost apprenticeships, which are the lifeblood of engineering and our prosperity. I pay tribute to the aerospace industry in my constituency for continuing to take on apprentices through all the bad years. Goodrich—formerly known as Lucas, and as Hobsons before that—has continued to take boys and girls into apprenticeships year on year, and that is paying off. It is doing extremely well and is taking on more people. We must grasp the new opportunities that improvements in manufacturing can bring in international markets, but such opportunities must be tempered by the recognition that all trade from now on must be fair trade that recognises the rights of workers here and internationally. It must be ethical.

The mention of ethics makes me recall my friend and fellow socialist Robin Cook, whose tragic death has left a lacuna at the heart of Labour politics. He is sorely missed. He was my friend for 20 years, and I still miss him now, and I believe that the House also misses him. He was a great parliamentarian. He was the Leader of the House and the Foreign Secretary, but he will be remembered for his brave and intelligent attempts to bring reform. He warned us what would happen in relation to freedom of information, and we ignored what he said to our present-day cost.

It remains for me to say something about this Parliament—the tribune of the people. Again, I agree with my colleague the hon. Member for South Staffordshire. This is the tribune of the people, but the fourth estate continues to criticise, undermine and damage, almost certainly at the expense of the vitality of our democracy, and we find ourselves in positions that we have to defend when we should be getting on with the business here. A free and vigorous press is a necessary, but insufficient, part of our democracy. Above all, it needs to become rhetoric-light and hyperbole-light. It should try to produce reports that reflect the reality, rather than producing some of the diabolical reporting that we have had the misfortune of seeing.

As I leave this place, I thank the many people here who have treated me with kindness and fairness. The staff have been terrific. I thank the people of Wolverhampton who elected me four times, even though they once failed to do so, which was a terrible thing to do, and I thank the Labour party for choosing me to stand for it. Most of all, I thank my wife, without whose support and love I could not have done what I have done. This year, we celebrate 50 years of marriage. I leave this place a happy man.

8.15 pm

Mr. Tim Boswell (Daventry) (Con): First, may I congratulate the hon. Member for Wolverhampton, North-East (Mr. Purchase)? I have always found him to be an authentic and tremendous voice for the manufacturing industry—a great tribute and honour to the House. In making my own concluding remarks, I also want to mention my great affection and respect for my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack) and my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe), who made distinguished contributions, as did the leader of the Scottish Nationalists here, the right hon. Member for Banff and Buchan (Mr. Salmond).

This has been a rather good debate, which has been enjoyable to listen to. There is not much time left, but I must say that I am struck by the way in which a career can cycle around and come back to where it was. In July 1966, I joined the Conservative research department as a very young economist. The day after, one G. Brown, Her Majesty's Secretary of State for Economic Affairs, had confided in the House, and I paraphrase, "We are running the economy in a way that no economy has ever been run before." Now, one could find that another G. Brown and his Chancellor are running the economy in very much the same way as the first G. Brown did 44 years ago.

At some time, we all have to get around to clearing out our offices, and I am doing that. Today, I came across the transcript of the Committee stage of the Bank of England Act 1998, which my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) has also mentioned. In that Committee, we discussed the independence of the Bank of England and the restructuring of the regulatory system. On 4 December 1997, I moved a series of amendments that were intended to test the strength and integrity of the Government's tripartite financial regulatory system, and we were told that it was all down to a memorandum of understanding. All I will say now—with hindsight, I readily admit—is that things went wrong not just in Britain, but internationally, and beyond our worst fears. They have triggered a massive recession and have paved the way for what I would describe as a hiatus of a Budget, because everyone is too frightened to move, at least on the Government side. They have left us all in the waiting room. We are waiting for some very unpleasant fiscal surgery, further particulars of which will be afforded at a later stage.

On the balance of judgment, I have found it interesting that the voices from the left—we heard two together—and from the Scottish Nationalists have gone for the public spending solution. I do not believe that is plausible, but we have to find a balance, and I do not want my position to be caricatured at this late stage as saying that we want a kind of fiscal masochism of any kind. We need to tune things very carefully, but we need to bring the private sector with us, but the fear of further tax increases is the best way of killing any recovery.

Let me make two brief points that are more or less tax-related, and then three wider points. I regret that the Government have done nothing to abort the proposals to increase national insurance contributions or to reverse their proposals to truncate the personal allowances and superannuation deductions for higher earners. In that alone, they have aggravated a problem that has long troubled me, because they have imposed further arbitrary fits and starts in what should be a reasonably progressive—I hope moderately progressive—tax system.

Just as there are ridiculous marginal rates with benefit withdrawals, we now have in the tax system—wilfully—hurdles, dips and troughs. Spikes of marginal rate that are highly anomalous create deterrence. That is perhaps best seen, and most relevantly to the Budget, in the classic slab system that still applies to stamp duty. How many transactions for houses are done at £250,001, or at £1,000,001? The answer is very few, and that of course creates marginal rates on the order of thousands of per cent., because it is all or nothing when one goes over the limit.

The second anomaly has to do with national insurance contributions. They have been built up by the Government as a second and politically more palatable form of income tax, but there are again major anomalies. For instance, one arises when a man reaches 65: I have worked out that the grossed-up value of no longer having to pay employee national contributions is almost as great as the value of the pension. We need to tackle such anomalies if we are to provide rational, coherent and consistent incentives for people to stay on in the labour force. Given the possible abolition of the default retirement age, such an approach might even give employers some incentive to maintain people in employment after that age.

I shall share my wider concerns briefly with the House. They may appear a bit diverse, but I think that there is a common underlying theme. My first concern

[Mr. Tim Boswell]

is that we still say too little about effective productivity and competitiveness. That has been a bit depressing today, yet we are in a lethally competitive world. Alongside British car firms, Volvo has just gone to a Chinese buyer. On the financial side, it is interesting to note that the City of London Corporation commissioned an Asian consultancy to produce reports on global financial centres. The seventh and final report has just been published, and the research has been described as being

"a wake-up call for policy makers that London's standing as a world-leading global financial centre should not be taken for granted."

Add in continuing concerns about skills deficiencies and the declining productivity of the public sector, and we have a fight on our hands.

If we are to fight that fight effectively, we must look to our social as well as our economic cohesion. Strangely, my upbringing took place on a co-operative farm. My father was a manager, and a Tory. I have stayed in the one-nation camp: I have not departed from that, and I have great sympathy with the renewed emphasis—it is not new—that my party is placing on social action and the voluntary sector.

I believe that the new emphasis will soften the harshness that any Government would have to impose on our society, and that it will help tackle the frustration that we feel as we see more of our lives and income going to the state. The state proclaims itself to be beneficent, but it does not really provide the services that we feel that we should get, and we do not have ownership of the process.

Most of us here can argue our way to getting our full share of the benefits of the public sector. However, I am always conscious of the people who, faced with that problem, come to see us in our surgeries because they are confused, demotivated and disempowered.

We in this place have a duty to think together about how we can equip all our people with a good education as a basis for personal and social development, and with the right mix of skills. They must also have a reasonable progression in employment, and in their chance to take personal responsibility. That should include a share in public and local decision making, which in turn implies a more decentralised public sector. If we do not get that, we will remain stuck with a high deficit, and with national underachievement and despair.

That brings me to my final point, which has to do with trust. The financial crisis was about a collapse in trust, and I shall always remember a cartoon that depicted a situation that I think that we have all seen. A person is about to a pay a filling station cashier. A queue is forming behind him, and the cashier says, "It's all right, sir. Your credit card's OK, but we're just making another call to check whether your bank is."

No one believes in the banking system. In the same way, no one believes in us as politicians. I think that it is all related. Whatever we say, people immediately throw it back at us. The answer is that we all have to learn to be more accountable, which involves more than process, or form, or box ticking. If we in this place want to be trusted again to make decisions on behalf of society, we need to know—and make clear—who carries the can for failure.

We cannot allow things to collapse through the middle, without anyone being responsible for what has happened. This recession has not been an act of God; it has been an act of man—a series of systemic failures. We need accountability at the highest level of state Government. We know that these have been difficult times, and government is never easy. Any Government would have been tested to destruction at the present time but, partly through their over-optimism, arrogance and rhetoric, we now find that this Labour Government have failed. I think that they will be held accountable for that very shortly.

8.26 pm

Mr. Edward Leigh (Gainsborough) (Con): It is a great pleasure to speak in this debate. It is rather like the ones that follow a general election, when one has to speak after maiden speeches and say, "What a marvellous prospect my hon. Friend for Daventry will certainly be in the years to come in this Parliament, given that he has made such a brilliant speech!"

We have had some wonderful speeches—from the right hon. Members for Banff and Buchan (Mr. Salmond) and for Oldham, West and Royton (Mr. Meacher), and from the hon. Member for Wolverhampton, North-East (Mr. Purchase). We have had a lot of old Labour speeches: perhaps they are as much unreconstructed old Labour as much as I am unreconstructed old Tory. We have a lot in common.

The right hon. Member for Banff and Buchan made a most marvellous speech. We love him so much because we know that he really loves this place: for all that he is a so-called nationalist, he is very sad to be leaving, and that is why we hold him in such respect. We also had a marvellous speech from my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), who totally confused us by trying to work out what a billion seconds add up to.

We got there in the end, but he was making the very important point that language has been so corrupted that no one—not the public, nor us—can visualise what a billion or a trillion is. That is why it is becoming increasingly difficult for us to put pressure on Governments to control public spending. However, it is worth saying that the deficit is so huge that the Government will have to borrow more in 2009-10 and 2010-11—£166 billion and £163 billion, respectively—than the entire income tax take last year. As my right hon. Friend said, that will raise the debt to £1.46 trillion.

What is £1.46 trillion? What is a billion? This is how I describe a billion to my constituents. Look at those mansions in the constituency of the Liberal party's spokesman, the hon. Member for Twickenham (Dr. Cable). He calls them mansions, but many of them are ordinary family houses worth £1 million, so 1,000 of those make a billion. That is how we have to visualise those figures to try to get home to the public the appalling difficulties that we are in.

Once again, the Chief Secretary, unfortunately, is not with us, although I hope he will respond to all these points, because that is what Parliament is for. It is not about making set-piece speeches; it is about responding to the debate. My appeal to the House and to those on all three Front Benches is that we should be honest. The fact is that in the next Budget, after the general election, for all classes of taxpayer—from those at the very

bottom to those in the middle and those at the top—the real burden of taxation will increase. It is better to say that now.

We will not be able to get that money off just the rich. True, the Government have increased taxation on higher income tax payers by £7 billion—they will do so by 2012-13—but the Treasury believes that the yield from the 50 per cent. rate, for instance, will be just £2.4 billion, because high earners will adjust their behaviour in ways that mean that they avoid incurring all the increased liabilities. We know that, so let us not delude ourselves that the rich will pay. We will all pay, from the bottom to the top.

The next point that I want to make about honesty is that all Departments of Sate will have to take cuts. That includes the Department of Health. That is the honest truth. Health spending has doubled in the past 10 years. We employ 1.6 million people in the NHS, which is, I think, the second largest employer in the world, but there has been a catastrophic decline in NHS productivity. I am sure that my hon. Friends, because they are honourable people, will meet their pledge to increase resources in real terms every year if they are lucky enough to form the next Government, but of course the famous Baroness Thatcher—the great right winger, so often referred to in the debate—did exactly the same. However, if health spending is increased by 0.5 per cent. in real terms, that will ensure a cut in health outcomes because of the ageing population and the increasing number of more and more expensive drugs.

Let us be honest with the people: everyone will end up paying more tax and they will all see cuts in Departments, including health, international development, education and transport. If health and international development, but particularly health and the benefits system, are absolved from cuts, that will ensure massive cuts in other Departments.

My Committee has already alluded to the black hole in the Ministry of Defence budget. Even if we assume the 2.7 per cent. increase in defence spending, which by the way will not happen because whoever forms the next Government will probably freeze the defence budget, there is a £6 billion black hole. If we start to make real cuts, that could rise to £80 billion. Let us be honest about it: there will be real cuts and real tax increases. There will also be these famous efficiency savings.

I hope that this is not my valedictory speech as a Member of Parliament—that is up to the good folk of Gainsborough—but it is certainly my valedictory speech as Chairman of the Public Accounts Committee. I think I know a little about efficiency savings. I have interviewed 1,000 civil servants over the past 10 years and chaired 420 hearings. Let us not place too much credence on efficiency savings.

The Budget promised, did it not, £11 billion-worth of efficiency savings. Many of the areas highlighted by the Government chime with areas that my Committee has had to focus on, such as the overuse of expensive management consultants, wasteful use of IT, inefficient management of the Government's vast property estate, poor procurement of goods and services and the desperate need of better project management. If there is one way to keep a secret, it is, as we all know, to make a speech in the House of Commons. The next best way is to send a letter to all colleagues, because it will certainly end up in the bin like these leaflets from the Conservative and Labour parties, which we have all been putting through letterboxes. I have tried to outline in a letter to colleagues some of the lessons that can be learned.

Let me say a little about these famous efficiency savings. Last December, the National Audit Office—a non-political body—reviewed the savings claims made respectively by the Department for Transport and the Home Office. It cast enormous doubt on the reported savings. In 2007, we found that there was a question mark over nearly three quarters of the claimed £13.3 billion annual efficiency savings. The philosopher's stone has been referred to in the debate. People imagine that efficiency savings are like that—that somehow we can turn iron into gold. That simply does not happen. There is wishful thinking going on here.

Those claims, from either party, must be real and demonstrable. They must be delivered year after year. They cannot be just one-offs. They are not genuine efficiency savings if, as we have found in many cases, they are achieved at the expense of the quality of the service. This is an opportunity. Just as falling markets are an opportunity to promote efficiency in the private sector, so the freeze in budgets that we are now going to achieve, because we have no choice, should produce real efficiency savings. But do not assume for a minute that they can be achieved without some cut in the service provided to the public. I am delighted to see the hon. Member for Twickenham, because, like me, he has often questioned these efficiency savings.

We hear so often about the sharing of back-office services, as if this was a great achievement. The PAC has heard great claims about these back-office functions. Let us look at one. The Department for Transport planned and implemented a shared corporate services project. That is the sort of language that the Treasury loves. This was carried out with stupendous incompetence. Rather than saving the taxpayer £57 million over 10 years, which, of course, all adds up to these £11 billion of efficiency savings, it will, because of the incompetence with which it was carried out, cost the taxpayer an extra £81 million, so no efficiency savings there. Perhaps one reason was that the computers spewed out instructions in German. Perhaps the thinking was that the only way to be efficient in Whitehall is to speak German. Unfortunately, most of the clerks in the Department for Transport do not speak German, so do not place too much credence there.

Time is short and I could go on and on, but I will not because it will bore hon. Members and anyway I will be called to order in a couple of minutes. The Budget announced plans to realise property savings of £5 billion a year in running costs and £20 billion in disposals. If we believe that, we will believe anything. The Inland Revenue, of all people, was to save £236 million by reducing the size of its estate. We looked at the Mapeley STEPS contract. What an extraordinary contract that was. Not only was it carried out in such a way that it did not provide value for money, but the Inland Revenue was giving the contract to an offshore provider. The Inland Revenue of all people, which was supposed to raise taxes, hired as its estate provider somebody who is a taxpayer offshore.

Consultancy spend, we are told, will be cut by 50 per cent., but the PAC found that central Government alone was paying out nearly £2 billion a year in consultancy fees. A further £100 million is to be saved by cutting

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benefit fraud. Benefits are staggeringly complex, but we have to take action. Last but not least is wiser and more effective IT spending. Apparently, if the Treasury is to be believed, the budget will be cut by £500 million. Look at the Rural Payments Agency, look at the NHS computer system. It will not happen. If we are to have real efficiency savings, we have to have an honest debate. As I said at the beginning, we have to raise taxes, balance the budget and produce real cuts in all programmes. Let us be honest with the people as we go into this general election.

8.38 pm

Sammy Wilson (East Antrim) (DUP): This has been an enjoyable debate. Listening to the valedictory speeches from a number of well-respected Members has been a great experience. In particular, because I served under him in Northern Ireland Affairs Committee, I want to refer especially to the help that the hon. Member for South Staffordshire (Sir Patrick Cormack) has been to me as a new Member of the House, and the enjoyable time that I had under his chairmanship. Some Members are leaving public life altogether. The right hon. Member for Banff and Buchan (Mr. Salmond) is now going to run part of the Celtic fringe of this great United Kingdom, and I wish him well in that.

The debate started off with an exchange between the Secretary of State for Children, Schools and Families, who probably would like to be the Chancellor, and the shadow Business Secretary, whom many on the Opposition Benches might wish was the shadow Chancellor. But the one thing that became clear during the early exchanges in this debate was that this Budget is not the real Budget; it is a phony Budget. As the debate has developed, we have heard people talk about the hard choices that lie ahead and the difficult decisions that have to be made, but none of those difficult decisions has been made in this Budget; it is quite modest. Indeed, it contains about £1.4 billion of new measures, as opposed to the £5 billion of new measures that were in last year's Budget.

Coming from Northern Ireland, I welcome some measures, such as the delayed increase in fuel duty, which in my constituency, with its large rural area, will be welcomed by those who cannot avoid using private transport and do not have the option of public transport. The fuel duty increase would have been a huge imposition on them. Doing away with stamp duty for the first-time buyers of houses worth less than £250,000 will also be welcomed in Northern Ireland, where house prices ran well ahead of first-time buyers' ability to enter the housing market. With almost 20 per cent. of people in Northern Ireland in fuel poverty, the additional winter fuel allowance will be welcomed, too. The Northern Ireland Executive will benefit by about £12.1 million in Barnett consequentials, and, even though that money will be offset by additional efficiency savings of almost £122 million this year, it will nevertheless be welcomed.

However, we all recognise and have recognised during this debate, the need to reduce public borrowing. Although the Chancellor has made much of the fact that borrowing is £11 billion less than he expected, it has nevertheless increased by £20 billion since last year, and our total borrowing is now 12.6 per cent. of GDP, with interest payments amounting to the same as that which we spend on defence. We know that that situation is unsustainable, and, as the hon. Member for Gainsborough (Mr. Leigh), the Chairman of the Public Accounts Committee, has pointed out, we need to be honest with people. We cannot pretend, as some Members have done, and say that after the second world war we had a huge debt and waited until 2002 to pay it all off. We do not have that luxury, given the financial situation and how the banking system and financial markets will view the deficit, so we need a degree of candour with the electorate. We need also to tell the electorate that the issue will not be dealt with just by efficiencies; there will be cuts to front-line services, and we will need to look at some things that we do in the public sector and whether we should continue to do them.

I hope that this does not sound contradictory, but I welcome the fact that, although we are at least now considering how we reduce the deficit, the Chancellor has not jumped in to take action and make swingeing cuts. Whether they are as deep as the cuts that Mrs. Thatcher introduced in the 1980s, or more modest, when I look at the issue from the perspective of Northern Ireland, I think that this would have been the wrong time to make them. Northern Ireland is still not out of the recession, and, while there has been a gradual upturn in other parts of the United Kingdom, unemployment is still increasing in Northern Ireland, house prices are still falling and the purchasing managers index, which shows the orders that are coming through for businesses, has fallen in Northern Ireland while it has increased elsewhere in the country. Although we will have to face the deficit, there are nevertheless good grounds for saying that the reductions should not be introduced immediately.

There has been some debate about whether there is any connection between spending now and the recovery. I would argue, after looking at some public sector infrastructure projects in Northern Ireland, that spending now gives us better value for money. Construction costs are down by 20 per cent. Because of the state of the construction industry, we can get six schools for every five that we purchased before, or we can get extra miles of road. Indeed, were it not for public investment in Northern Ireland, the construction industry, which now has about 53 per cent. of its work coming from the public sector, would have even greater levels of unemployment than it has at present. In the past year, there has been a reduction of more than 7,000 in jobs in the construction industry, but that could have been far worse without continued public spending. I recognise, however, that that cannot go on for ever. I also accept that Northern Ireland cannot be exempt from what happens in the rest of the United Kingdom.

Two things are essential. First, we must have a greater degree of certainty about what is going to happen with the level of cuts and reductions. That has not been the case to date. Departments need to plan ahead to see how they can deal with the reductions that are going to be made. Those reductions cannot suddenly be parachuted in—some preparations must be made.

Mr. Leigh: The truth is that preparations are being made at this precise moment, but people are not being told about it.

Sammy Wilson: That brings me to my question for the Chief Secretary; I hope that we will get some answers when he replies to the debate. If the plans are

there—if it is known what will happen to departmental expenditure levels—why is that information not being passed down so that proper plans can be made by Departments and, especially, devolved Administrations, and they can play their part in a constructive approach to the difficulties that face us as a nation? As the position develops—the plans that are in place may well change—why cannot information be continually fed to devolved Administrations so that they know how the situation is changing?

Secondly, there are ways of protecting public services, one of which is a cap on public sector pay. I know that the Chancellor has indicated that he does not want to see pay increases of more than 1 per cent. However, we still have a bonus culture in the public sector. Ironically, Northern Ireland is the only part of the United Kingdom in which, despite the recommendations of the Senior Salaries Review Body, bonuses for senior civil servants were not implemented last year. That is in keeping with the approach that we need. Bonuses often take up a huge part of public sector pay and are a cause of public resentment, as well as queries as to why people are getting paid huge bonuses when Departments are not performing. It would be useful to hear the Chief Secretary's thoughts about ongoing public sector pay negotiations and whether a pay freeze would be a way of protecting, at least to some extent, the provision of public services.

I do not believe that the current situation is still sustainable, and anyway, I am a natural philosopher and my view of life is that I would rather people have their own money to spend than have it taken off them in tax increases and spent by the public sector. There is a balance to be a struck and a need for certainty, and the importance of timing cannot be overestimated. We will gain in credibility as a Parliament only if we approach the financial difficulties in an honest way, as the hon. Member for Gainsborough said. We must lay out all our cards for the public. I listened to interviews on "Newsnight" the other night, and people were saying, "Do they think we're fools? We know that if we're spending more in our own houses we have to cut our spending, and we know you've got to do it for the nation."

8.50 pm

Mr. Brooks Newmark (Braintree) (Con): I first draw Members' attention to my ever-diminishing entry in the Register of Members' Financial Interests.

I join others in paying tribute to my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack), my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) and my hon. Friend the Member for Daventry (Mr. Boswell) for their services not just to our party but to the House. I doubt that I will last as long as them in the House, and I have huge respect for all they have achieved. They are incredibly independent individuals who have followed their own paths and achieved great success here, and I wish them luck after they retire.

In Budget after Budget when he was Chancellor, the Prime Minister consistently pledged, "No return to boom and bust". It was his defining mantra, but now we know that he did not abolish boom and bust, he simply fuelled it. Millions of families, pensioners and businesses are now paying the price for more than a decade of economic mismanagement and fiscal imprudence.

The Budget that we are debating was the current Chancellor's chance to leave a better economic legacy for our country than his predecessor, the Prime Minister. It was a chance to present a credible plan, get the British economy moving again, support hard-working families, offer a new direction for public services, reverse the tax on jobs and offer equality of opportunity for all. Instead, we got a do-nothing Budget from a Government with nothing new to offer. The legacy of this Labour Government is clear: they have taken Britain right from boom through to bust. It is on that record of boom and bust that the Prime Minister will shortly be judged at the ballot box, and it is that record that I wish to examine a little today.

I begin with the budget deficit. With due respect to the right hon. Member for Holborn and St. Pancras (Frank Dobson), who is no longer in his place, he seems to live in a parallel universe. We are living with perhaps the worst budget deficit in the G7. We have a worse deficit than even Greece. In fact, I believe it is the worst in the developed world. For too many years, the Prime Minister has been effectively maxing out the nation's credit card, and his solution and that of the Chancellor in the Budget is to say, "Let's take out a new credit card."

We are treading on dangerous ground, and in fact the Government have been chastised by both the European Commission and the Bank of England for their lack of clarity in dealing with the budget deficit. The financial markets have begun to punish their fiscal imprudence. I believe that in the credit default swaps market, McDonald's is rated higher than the British Government today.

This Budget did nothing to allay anybody's concerns. Reducing projected borrowings by a projected paltry £11 billion provides no basis for rejoicing. Indeed, as we have heard, the Red Book shows that Government borrowing in 2009-10 is projected at £166 billion, which works out—I am sorry that the hon. Member for Taunton (Mr. Browne) is not here to hear this—at £456 million a day, or £19 million an hour, or £317,000 a minute, or £5,280 a second. That is the legacy that this Government are leaving for us to clear up, after 6 May hopefully.

On public debt, the last Conservative Government bequeathed national debt of some £350 billion. Under the Prime Minister's stewardship and his ceaseless moving of the goalposts of his now discredited golden rules, debt is forecast to reach some £777 billion this year. That means that each and every person will owe a liability of an extra £23,000 by 2014. As debt has increased, so has the cost of servicing it. We read in the Red Book that the debt interest for 2010-11 will be £41.6 billion. As we are discussing education today, I should say that that is in fact bigger than the whole of the schools budget of £40.6 billion. However, that is not the whole story. The Minister may be familiar with my analysis of the true extent of Government debt. Counting liabilities that are hidden off the balance sheet, debt now perhaps stands at a staggering £2.2 trillion. That includes public sector pension liabilities, to which my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) alluded, which are almost £1 trillion, private finance initiatives and bank debt—we must count the debts of the banks that we have acquired.

The Chancellor may be comfortable for debt to rocket to a predicted £1.4 trillion on-balance sheet in 2014-15, but that is more than 100 per cent. of gross domestic product, and we cannot keep our heads in the sand any

[Mr. Brooks Newmark]

longer. The hard decisions must be taken now, and we need mechanisms in place to prevent any future profligate Chancellors—of any party—from frittering away taxpayers' money. The Conservative party would establish an office of budget responsibility to provide an independent audit of all Government liabilities and to hold them to account for all their fiscal promises.

This is all about transparency, and the Government have not been transparent with the public on the true extent of the nation's debt, among other things. A lack of transparency permeates every aspect of the Prime Minister's legacy of boom and bust, yet surely now more than ever, taxpayers deserve transparency. The Government have rightly demanded rigorous transparency from banks and companies, but they lose all credibility when they refuse to apply the same standards to themselves. It seems that few lessons have been learnt. In his Budget speech, the Chancellor failed to mention the stealth hikes that are hidden in the small print. He has frozen all personal allowances, effectively increasing taxes for 30 million hard-working individuals up and down the country.

The Chancellor also promised details on spending cuts, but instead, we have a £20 million black hole where details of future spending should be. Departmental officials have even admitted that they know nothing of those details. For a Government claiming economic rectitude to have no spending plans beyond next year simply defies belief, and economic and financial credibility. We need to create transparency throughout government—both local and national.

Savers are the economic bedrock of society, and those who prudently put away money during the good times in preparation for the hard times must be rewarded, yet that logic is entirely antithetical to our boom-and-bust Prime Minister. That is why household savings had dropped almost to zero when the recession hit. We are consistently one of the lowest-saving countries in the OECD. I was pleased with the doubling of the individual savings account limit in the Budget, but we need to go further to restore a savings culture. The path to prosperity depends on an economic model based on savings and investment, not consumer borrowing and Government debt.

The poorest pay the highest taxes: the poorest 20 per cent. pay 39 per cent. in income tax while the richest 20 per cent. pay 35 per cent. Indeed, when the withdrawal of benefits is taken into account, low-paid earners have a marginal tax rate of some 96 per cent. Furthermore, child poverty has increased for the third year in a row. Today, some 4 million children live in poverty. Tony Blair's ambition of halving child poverty by 2010 has been left in tatters by this Prime Minister.

As the Joseph Rowntree Foundation has concluded, the strategy against child poverty and social exclusion pursued since the late 1990s is largely exhausted. Today, one in five young people cannot find a job. In my constituency alone, unemployment has trebled. Will the 1 per cent. increase in national insurance be an incentive for employers to hire more people? I suspect not, and we are right to propose abolishing it.

The Prime Minister talked about the collapse in sterling. In 1992, when he was shadow Chancellor, the Prime Minister said that

"a weak currency arises from a weak economy which in turn is the result of a weak Government".

Never was a truer word spoken. We have heard about the sell-off of gold at prices four times below its level today, losing the Exchequer some £6 billion. The tax credits system has lost billions of pounds through incredible mismanagement, and the Public Accounts Committee has pointed out that

"tax credits suffer from the highest rates of error and fraud in government".

My constituents would certainly agree. Every week I, like many hon. Members, hear from families facing real hardship, uncertainty and stress at a time they can ill afford it. I am a firm supporter of tax credits, but the system needs urgent reform. For a start, the Government should have used this Budget to focus on tax credits for households with incomes less than £50,000.

The dissection of the Prime Minister's blueprint from boom to bust could go on, but the message is clear. The very boom and bust that the Prime Minister hubristically claimed to have abolished will now be the epitaph of this Labour Government. The Chancellor said that this Budget would be about choices, and his choice was simple—generate the ideas and reform necessary to get Britain moving again, or end Labour's terms in office with a continuation of the Prime Minister's boom and bust politics. The Chancellor made the wrong choice. A Budget comprising back-of-the-envelope sums and delivered with one eye on the ballot box was not the Budget that Britain needed. We do not need more of this debt, waste, tax and irresponsibility. Short-sighted political positioning should never come above the economic interests of the nation. We need change, vigour and ideas to get our economy moving again. In a few weeks' time, I hope that that is exactly what we will have.

9.2 pm

Andrew Mackinlay (Thurrock) (Lab): Much of this long Budget debate has focused on apportioning blame for the present crisis. Many institutions and individuals, in Parliament and outside—and Parliament itself—must take a considerable amount of the blame for the problems that we face, including the failure to regulate, over-confidence and arrogance. However, the crisis also took place against the backdrop of things that were way beyond the capacity of the UK to control or monitor. We have to be realistic about that.

One thing of which I am certain is that the Chancellor and the Prime Minister are the best people to provide good stewardship and see the UK through the crisis. I have two historical parallels. At the time of the Norway debate, 70 years ago, Winston Churchill should arguably have taken some of the blame for that disaster as First Lord of the Admiralty. However, I have never had any doubt that he was the best person to prosecute the war with vigour and to victory. Margaret Thatcher could have been charged with abdicating her responsibilities and giving the green light to the Argentine dictators to take the Falkland Islands, but I have no doubt that she had the greatest chance of pushing the invader out and prosecuting that war with great success. In the same way, this Labour Government need to be returned in order to see us through this crisis and I have every confidence in their capacity to do so.

I would like to refer to some aspects of the Budget. There has been a real attempt to protect fragile industries and small and medium-sized businesses, and, in many cases, to incubate them against the crisis swirling around

us in the economy. It is essential that we protect our public services and, in so doing, maintain demand and stimulus. The Government's long trek to reducing public expenditure is the correct and prudent approach, unlike the approach that our friends in the Conservative party would rush to and which would create a deeper hole and crisis in the short term. The Chancellor is the best person to see us through the crisis, and I believe that his strategy is correct.

Eighteen years ago, I made my maiden speech here. It was my fifth attempt to get elected to Parliament, and over the years I have been a Labour candidate of some sort on 13 occasions. It is with great pride that I have stood for the Labour party, and it is also with immeasurable pride that I have been the Member of Parliament for Thurrock, representing people of all persuasions to the best of my ability. It has been a great honour and privilege to serve them. My constituency has changed greatly—for the better—in 18 years: there is higher employment and greater diversity, in terms of ethnicity and social class, and one could justifiably say that it is booming. The Labour Government will leave to the people of Thurrock a rich legacy, particularly in the improvement of education. My borough had been greatly deprived for many years by the old Essex county council. Getting unitary status and developing academies has benefited the children of my borough enormously over the past 18 years, particularly since the advent of the Labour Government.

Of course, during those 18 years there have been some frustrations. It is a great pity that the Labour Government have never addressed the West Lothian question. It is a mistake to ignore this, as if it would go away. I also wish that we had gone faster on electoral reform, but as I leave Parliament, there is a real opportunity for a substantial change in the electoral system during the next Parliament. I wish, too, that we had tackled the upper House, whose functions are extremely important, but whose construction is of questionable legitimacy. If I had a chance of being one of the last to get there, that would be fine, but I would love to be one of the first of the new. If there are elections to the upper House in the future, and if I am fit and well, I would certainly like to throw my hat into the ring.

I should add, before I digress totally, that the Budget also referred to my constituency in relation to the Dartford-Thurrock toll, which, as my right hon. Friend the Chief Secretary has said on several occasions, the Government want to privatise. I have no ideological objection to privatising the Dartford tunnel toll, but I do ask him again how he plans to do it. Mandarins, who are removed from the real world, have conjured up this idea, and Ministers repeat it like a mantra. I am not necessarily opposed to it, but I invite him, for the third time, to tell us how he plans to privatise or sell the Dartford toll. It is not clear to me how it could be achieved or what would be of benefit. I think it will be seen to be a non-runner.

As I said, my constituency has changed greatly in my 18 years. To the great benefit of the community, we have absorbed large numbers of people who have come to this country, often in very distressful and adverse circumstances. We had the Bosnians in the mid-1990s, Kosovans, Afghans, people from war-torn parts of Africa and people trying to get out of the despotic regime that currently disfigures the wonderful country of Iran. That has put a great strain on my staff and colleagues, and we have done our best to protect and promote these people's interests. However, I have been particularly frustrated by how the Home Office has been unable to get on top of the chaos at Lunar house. Many hon. Members from across the political spectrum share that view. It is just unbelievable that there is such chaos upon chaos, but it also has distressing human consequences for families who do not know their status and who cannot travel or make contact with loved ones. I urge the Government to address that with some dispatch. We are also very proud of the growing Nepalese and Gurkha community in Thurrock. In particular, their young people are becoming wonderful role models in our schools.

The Budget had a significant section on Government savings. I personally think that whoever forms the next Government needs to have a war on quangos, of which there are far too many, and also stop this perpetual so-called—but wholly bogus—system of reorganisation. Both parties have been guilty of that in the past. There is enormous cost and loss in reorganisation. Good people retire early and are never seen again. It is like painting the Forth bridge, and the product is not much better at the end, if it is at all better. We had local government structures from 1888 to 1974 that worked well and underwent organic change. This obsession, of both the Tory and Labour parties, with reorganising the public sector nationally and locally is frankly bonkers and very costly, and I hope that this trend will end.

I would also urge my hon. Friends to stop their obsession with creating things such as quangos—or whatever gobbledegook they call it—with names like "Stepping Stones", "Partnership", "Looking at Blue-Sky Policies", and all that kind of nonsense. Why do we not stop all that, have some definite structures and call public servants precisely what they are, with titles such as "borough engineer" or "surveyor", which we understand, rather than "director of this" or "director of that", for the six weeks before a further reorganisation?

I am pleased that my friend the hon. Member for East Antrim (Sammy Wilson) is here. One of the great successes over the period in which I have been in Parliament has been the resolution of conflict in Northern Ireland. It is a wonderful place and I intend to spend more time there recreationally when I leave this place. I am also going to work on my notebook—alas, it is not a diary, like that of my hon. Friend the Member for Sunderland, South (Mr. Mullin), but there are some good things in it, and I want to codify them.

Members who are leaving this House will want to say the following on behalf of those who are bravely standing again and hope to be returned. Being in this House is a priceless privilege, but it is also seven days a week, 52 weeks a year. There are many critics, and we should be subject to some criticism, but some of it is very harsh and unfair. I say to those who think that they can be a Member of Parliament better and more cheaply that not only can they stand for election, but arguably they have a duty to do so. They need to stand up for what they claim.

The last point that I want to make, in thanking all the staff here, my staff, and my wife and family for their support, is this. Theodore Roosevelt said 100 years ago:

"Far better it is to dare mighty things, to win glorious triumphs, even though checkered by failure, than to take rank with those poor spirits who neither enjoy much nor suffer much, because they live in the gray twilight that knows not victory nor defeat."

[Andrew Mackinlay]

I send my best wishes to Members from right across the political spectrum who are standing for re-election. I thank them for their fellowship while I have been in this House, and I hope that this place will strengthen itself in the next Parliament.

9.14 pm

Mr. Brian Binley (Northampton, South) (Con): I have listened to some excellent speeches, many of which have been by people who will be leaving this House. It has been a privilege to be here, and I know that we all wish them well in the years to come.

I also listened to some good people in Northampton over the weekend. I wanted to know what they thought about the Budget. I hate to say this—no I don't—but they gave me some bad news for the Chancellor, because they told me that the Government had not been honest about the size of the problem that the country faces. They feel that the Government have not been truthful about growth forecasts, their borrowing requirement, or their handling of public sector debt, and they are unhappy with the plan to cut the deficit through increased taxation.

My constituents told me that they felt there were just two certainties. The first was the continuation of debt, waste and taxes, and the second was the continuation of pain for themselves and concern for the business world. They thought this was a fairytale Budget of could-bes, might-bes and maybes, and that it did little to eradicate the fears that they have voiced. They did not think it was good enough. The really sad thing was that not many of them felt any great hope for the future—certainly not for the next four or five years. It is worrying that a Chancellor presenting his last Budget should create such an effect.

So much for the responses of the people of Northampton. I want now to discuss one of the problems that they identified in a little more detail, however—that of public sector debt. I am not surprised that my sensible constituents expressed concern about this. We have only to look at the Treasury forecasts to understand just how much debt we face. A figure of 44 per cent. of gross domestic product was given for 2008-09. The figure for 2009-2010 is 56 per cent., and it is set to rise to 78 per cent. in 2014-15. That is all because the Government apparently took the advice of a lady we remember well, who won the pools many years ago. When asked what she was going to do with the money, she said she was going to "Spend, spend, spend".

That is exactly what has happened in recent years, as illustrated by this Prime Minister's vain boast that he had done away with bust. He thought he was infallible, but we are now paying the price. So certain was he about this that he told the Financial Services Authority to apply a light touch. The policy of spend, spend, spend has ended up just as we all thought it would: with bust, bust, bust. The Prime Minister's arrogance has led to a longer, more persistent recession than we would otherwise have experienced. The real problem for many people is that the cost will be borne by their children and grandchildren, and they will not thank Mr. Blair or Mr. Brown for that legacy.

The Government have admitted that public sector debt will increase until 2014-15. Under the Fiscal Responsibility Act 2010, the net debt is required to fall as a share of GDP by 2015-16, but many think that there is little hope of that happening. It will be a long climb out of recession, and it is unlikely that we will have cleared public sector debt by 2030. It is clear that the nation—and, in particular, its small and medium-sized businesses—will face continued difficulty, and will suffer as a result of this Budget and the Government's actions up to this stage.

The Chancellor has claimed that Budget pledges will help small businesses, but they tell me that that is not the case. Among the measures that will not help them are the national insurance increases involving a 1 per cent. increase for all employers and a 1 per cent. increase for everyone earning more than £20,000. Those increases represent a massive belt to the confidence of industry at a time when it needs all the confidence it can get. The Federation of Small Businesses tells us that they will cost 57,000 jobs. The Treasury's own economic model suggests that national insurance rises will reduce GDP by 1 per cent. after three years. The Forum of Private Business has said that these measures are not helpful for job creation, and suggested that a 12-month cut in national insurance contributions would encourage small businesses and allow them to hire extra staff. I hope that those on the Government Front Bench are listening because, by golly, if there is one thing we need to do at this moment it is to produce wealth and create the jobs that are vital to the future well-being of this country.

I want to touch briefly on the increase in alcohol duty. Many will know that I am a keen supporter of pubs; I enjoy them immensely. However, 2,377 pubs have closed in the past year, thanks to falling beer sales, and seven are going out of business every day. Let us also look at the increase in fuel duty. The Road Haulage Association has claimed that hauliers are already operating on a shoestring budget, and that they desperately need a break. Some have already gone bust and many others are struggling to survive. When VAT decreased to 15 per cent. in January 2009, an extra 2p a litre was levied on fuel, but that was not changed when VAT returned to 17.5 per cent. in January 2010. People feel let down. They feel they were conned, as this has impacted massively on their businesses.

Many businesses have told me they are worried about the lack of measures to tackle the underlying problems. The Institute of Directors would have liked to hear more about the deficit reduction. Miles Templeman said:

"The Chancellor's GDP forecasts are too optimistic and there is still no sign of a credible deficit reduction".

Businesses wanted to hear that; they wanted to hear what the Government were going to do. They felt let down, and we talked about lack of hope because they did not know where they stood. The CBI remains of the view that the Government's target date of 2017-18 for Budget balance is

"too far off to instil the credibility necessary to ensure the UK's public finance position".

I could go on about the plight of small businesses. They are the largest employer in Britain, and if Britain is to recover, small businesses need to be encouraged to grow. They are the life-blood of the nation's creativity: almost 70 per cent. of British creativity comes from this sector. The sector was in the process of producing 2 million jobs up to the recession, at a time when UK plc was shedding 1.5 million jobs. Small businesses are

the powerhouse of jobs growth, and the Government need to recognise the importance of encouraging that particular sector to flourish. My party has pledged to do away with a sizeable part of the planned increase in national insurance because it will help that particular sector to do exactly what it does best: grow jobs, be creative, produce wealth.

My party has also pledged to cut corporation tax for small businesses and will not tax the first 10 jobs in any new company. That is welcomed by them, too, but the national insurance rise that I just mentioned is bad for job creation. It does not encourage people to get back to work. We should be pushing policies that increase economic growth to get Britain working again. My grandmother would have told anyone that the way to get out of debt is not by spending more money but by recognising that too much money is being spent and doing something about it. This Government have not yet reached that position. Perhaps it is because there is an election coming up; that may well be the truth of the matter.

The people to whom I spoke at the weekend felt that this Government had failed them. They said it was time for new thinking, for a new message, for a new approach. They did not want the same tax and spend and waste that they felt had occurred quite sizeably over recent years. They told me it was time for a new Government made up of people who understood the needs of SMEs. I would tell them that this Budget proves that such a Government would exclude the party that has been responsible for it.

9.23 pm

Mr. John Hayes (South Holland and The Deepings) (Con): I have never been terribly interested in the present because "now" is an illusion, as it instantly becomes "then". I have always been most interested in the past, as it is the thing we can most readily alter through our memory. Unlike Keynes, however, I am interested in the future. Keynes said that in the long run we are all dead. But I say the long run counts. It counts particularly for those of us who have children. I have two young children and I care about what happens to them. I care about the debt they will face—both personally and as part of a country now facing, as my hon. Friend the Member for Northampton, South (Mr. Binley) has just said, a mountain of debt.

By their very nature, Budgets look to the future. They plan the economic future and particularly the next 12 months in economic terms. This was not really a Budget that looked to the long term; it looked no further ahead than about six weeks. It was an immensely short-term Budget and a political Budget—one that took not difficult strategic decisions but convenient tactical decisions, failing to meet the challenges we face.

It is clear from the Budget that the Chancellor and the Prime Minister misunderstood the scale of the recession from the outset. They did not expect it to last longer than those experienced by their economic rivals. As we know, however, it has lasted six full financial quarters, longer than any recession in any other G7 country, and GDP has shrunk by 6.2 per cent. The International Monetary Fund forecasts that Government borrowing as a share of GDP will be the highest in the G20 this year. What is the response from the Government? The Budget offers no credible path to a stronger economic future: all it offers are more hidden tax rises in the shape of frozen income tax thresholds and increased national insurance, which is a tax on jobs.

The banking crisis and the recession that followed exposed fundamental problems for an economy that has become too dependent on a single sector. Two of the most profound macro-economic changes in my lifetime, both of them undesirable, have been the growth in the power of transnational corporations with no allegiance to any one nation and, indeed, no loyalty beyond their commercial interests, and the dependence of economies—bought by many liberal economists as desirable—on a limited number of economic providers, or sectors. That is what has happened to our financial services and banking. It is impossible to imagine the Government emerging from the present problem, given that they failed to recognise it and were, to an extent, responsible for it.

Perhaps the most tragic outcome of those failed financial policies is the growing army of young people who are not in employment, education or training, and in the few minutes available to me I want to say a word about their plight. They are often presented in a fairly cold way—they are seen as an economic opportunity cost— but we are talking about up to a million young lives. We are talking about broken dreams and shattered hopes. We are talking about people who, because of their disengagement, are likely to be socially and culturally detached, and who, because of the declining number of unskilled jobs, are unlikely to find employment even in the medium and long term. If one's first experience of the job market is one of disappointment and detachment, that may have profound long-term implications.

Even in the good times, the times of economic growth, the number of young people so affected was rising. That was a trend problem, and not a result of the recession. Nevertheless, it has been exacerbated by the recession, and we have a moral duty to do something about it. We have a duty to create new opportunities for those young people, and to provide them with the skills they will need to participate in an economy that will become increasingly highly skilled and high-tech. For Britain has no long-term future as a low-tech economy; we will not return to the days when we made tin-plate metal toys. We will survive and compete only as a high-tech, highly skilled nation. Those young people's opportunities lie in that vision, but no such vision is set out in the Budget. It contains no such ambition for the generation that I have described—that forgotten army of young people.

In the couple of minutes left to me, let me propose an alternative. Let me give the House a taste of a different Britain. Let me allow the Chamber and the country to dare to dream again of something better. It is entirely possible for us to regenerate the prospects of that forgotten army by investing in skills. The House would expect me to say something about skills.

I do not take the Chicago economist's view that all that matters is flexibility in economies or, indeed, in labour markets. I was interested by one or two of the speeches made by members of other parties in that regard. I believe that investment in skills pays dividends beyond the obvious, and that it has a variety of social

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and cultural as well as economic effects. I believe that it gives people a sense of pride and purpose, and builds a cohesive society.

We need to boost the number of apprenticeships massively by transferring large amounts of money from the Government's failed Train to Gain programme, with its immense deadweight cost, to the apprenticeship budget. We must do that by designing new apprenticeship frameworks, by making it easier for small companies to participate, and by changing both the prospects of people and our economic prospects. We could have seen that in the Budget, but we did not. We will see it in a Conservative Budget, run by a very difficult Administration who will bring new hope to those people and to the whole of our country.

9.30 pm

Mr. Philip Hammond (Runnymede and Weybridge) (Con): We have heard some excellent speeches this evening. This has also been a poignant debate, with six valedictories. They were delivered by the hon. Members for Wolverhampton, North-East (Mr. Purchase) and for Thurrock (Andrew Mackinlay); by my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack); by my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe), whom I had the privilege of serving under when she was shadow Secretary of State for Health; by my hon. Friend the Member for Daventry (Mr. Boswell), who led for the Opposition on the first Standing Committee on which I had the pleasure of serving in this place; and by the right hon. Member for Banff and Buchan (Mr. Salmond), who said, in referring to his own, that a Member's maiden speech is often the best speech that they make in this place. I suspect that that might not be the case for all Members, but it is probably beyond question that it is the best rehearsed speech any Member ever makes in this place. I pay tribute to all of the departing Members, and I am sure that I speak for all of us in wishing them well whatever they do in the future.

The scale of the fiscal and economic challenge this country faces is unprecedented. The backdrop to the Budget is stark: unprecedented levels of public borrowing and structural imbalance in the public finances. Despite the prediction that we would "lead the world" out of recession, Britain was the last G20 country to emerge from a recession that was the longest and deepest on record. We still have the biggest Budget deficit in the G20 and one of the weakest economic recoveries. In February of this year alone, the Labour Government borrowed more than they will spend on police and immigration in the whole year. They are racking up debt at a rate of more than £300,000 a minute—a legacy to our children and our grandchildren that will take them a lifetime to pay off.

Our credit rating is under threat; one in five young people in this country cannot find a job; child poverty is increasing; the banking system cannot finance the recovery in the small and medium-sized business sector; and national income per head is lower in real terms now than it was at the last general election. Therefore, what we needed last Wednesday was a big Budget: a Budget to match the scale of the challenges the country faces; a Budget for recovery; a Budget with the vision and the toughness to tackle the challenges we face, not duck them. This Budget was Labour's last chance to bid for fiscal credibility, and they blew it.

For the Chancellor personally, it was the last opportunity to secure his legacy, but he chose partisanship over statesmanship. What did he give us? He gave us a Budget whose good news announcement was that we are borrowing "only" £167 billion this year and £163 billion next year; a Budget whose only big ideas—the stamp duty cut for first-time buyers, the green investment bank and new university places—were stolen from the Conservatives; an empty, cynical, pre-election Budget, lacking in energy, lacking in vision, lacking in new ideas to get the economy moving again. It shows no sign of the Government's having grasped the scale of the mess they have got us into.

It is therefore unsurprising that my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) said it was "not so much a Budget as a holding statement." A City commentator described it as

"a do-nothing Budget that had shades of Nero about it".

It contains nothing to deal with the legacy of Labour's debt, nothing to put this country back on the path to sustainable prosperity—instead, just more delay, dissembling and ducking of the tough decisions.

Perhaps we should not be too surprised when we look at the track record of this Government and this Prime Minister: the man who ended boom and bust; the man who doubled the tax rate for the poor and destroyed social mobility in this country; the financial genius who sold the nation's gold reserves at a quarter of what they are now worth; the visionary who raided our pension funds and destroyed a pension system that was once the envy of Europe; who has doubled our national debt and set it on course to double again; who has made an art form of deferring the bad news; and who has made every decision since this crisis began on the basis not of what is good for Britain's economy, but of what will conceal the scale of his failure until after a general election. His credibility is destroyed. Just a few months ago, he was still peddling the line, "Labour investment versus Tory cuts", but now his own Chancellor says that the cuts will be deeper and tougher than Margaret Thatcher's.

What did we get from the Chancellor in the Budget statement on his planned spending cuts? We got about 30 seconds in a 58-minute speech, with the real announcement sneaked out later in the afternoon in a series of press releases that were meaningless in their content and bogus in their precision. I am thinking of the £343 million—not £340 million—of savings identified in the Ministry of Justice over the next three years and the £194 million saving to be made in the Department for Environment, Food and Rural Affairs. Those are meaningless and bogus because the Prime Minister has refused to allow his Chancellor to publish a spending review for the next three years. A departmental saving is meaningless if we do not know what the departmental budget is to start with.

Cabinet Ministers, including the Schools Secretary, have been tripping over themselves to claim that they have to cut only x hundred million or y hundred million pounds from their budgets. The truth is that they do not know how much they will have to cut, because they do not know what their budgets will be as the Chancellor

has not told them and he has not told the electorate. He has not told the electorate for a reason, which is that he does not want them to know because he does not want a real debate on spending priorities.

Rob Marris (Wolverhampton, South-West) (Lab): The hon. Gentleman decries the Chancellor for lacking credibility, vision, energy and new ideas, but in the few minutes remaining to him tonight will he set out what the Opposition would do, because that was singularly lacking from the Leader of the Opposition's response to the Budget on Wednesday?

Mr. Hammond: If the hon. Gentleman had been listening, he would have heard plenty about what the Opposition will do. I do not know where he was yesterday, when we spent most of our time telling the world what we plan to do. Ending Labour's tax on jobs is our first mission.

The Chief Secretary to the Treasury, wearing his "I am ever so reasonable" straight face, tells us that the reason why we do not have a comprehensive spending review is because it "does not make sense" to set departmental spending totals when we do not yet know what unemployment will be next year or the year after next. However, he does not mind setting a Budget based on a growth projection for next year and the year after, which nobody outside the four walls of the Treasury, and probably not many people inside them, thinks is a sensible Budget assumption.

What the Government's press releases did was confirm that Labour has identified, on its own estimation, £11 billion of waste. That is waste that it says it can eliminate without affecting front-line services, but that it will not eliminate until some time after 2011-12. Move over post-neoclassical endogenous growth theory, because we now have a new economic theory from the Labour party: Labour's waste-induced growth theory. It appears to state that Government waste is an essential ingredient of economic recovery. Presumably, on the Schools Secretary's logic, higher economic growth—perhaps even the achievement of the Chancellor's 3.25 per cent. target—will require even more waste to be identified, but not eliminated. Let us be clear that Labour's stated plan is to carry on wasting and raising taxes to pay for that waste. Its approach is about taxing jobs in a recovery to pay for Labour waste, which the Government have identified but have not got the wit or the commitment to eliminate.

I lose track of who is allied to whom in the Government, and who is speaking to whom this week, but some hon. Members may remember that just a couple of weeks ago the Chief Secretary said emphatically that there would be no tax increases. He was immediately slapped down by the cardinal archbishop and by the Chancellor, and now we know why. Although we would not have heard most of them in the statement that the Chancellor delivered last Wednesday, the Budget contained plenty of Labour's hallmark stealth taxes. It contained a £2.2 billion hike in income tax through the freezing of thresholds—that is a £48 bill for every taxpayer in the country, which did not even merit a mention in the Chancellor's speech. Indeed, he seems to think it a matter of yawn-inducing indifference that everyone will pay £48 more in tax.

The temporary abolition of stamp duty for first-time buyers, which, incidentally, the Economic Secretary to the Treasury said was not

"an effective use of public money" —[*Official Report, Finance Public Bill Committee*, 21 May 2009; c. 108.]

when we proposed it, is being financed by a permanent tax increase on higher value property. That is another sleight of hand. The huge tax hikes on cider drinkers put at risk an industry that employs thousands of people in the west country, and I shall ask my hon. Friends to vote against that ill thought through tax proposal.

Despite the Chancellor's rhetoric about helping small businesses, there are yet more stealth taxes on businesses, including an increase in the small business corporation tax rate. There was an apparent cut in business rate relief, but the small print of the Red Book shows that revenues from business rates will go up by £1 billion, not down. The product of a botched rates revaluation and the deferred hikes from last year will mean soaring bills for many small firms from April 2010. That is literally the last straw for many cash-strapped businesses that are struggling to raise credit. There is also the telephone tax on households and businesses across the land—a tax of £7 a year, including VAT, for every line. What is that for? It is to pay for an objective that we have clearly shown can be delivered without any tax rise.

Just when people might have thought that things could not get any worse, tucked away in a footnote on page 204 is the admission that the Government more than doubled our contribution to the European Union between 2008 and 2010. They have gone to extraordinary lengths today to bring back Tony Blair. Perhaps they would like to bring him here to explain what he meant when he told the House:

"The UK rebate will remain and we will not negotiate it away. Period." —[*Official Report*, 8 June 2005; Vol. 434, c. 1234.]

He was right in one sense, of course. They did not negotiate it away; they gave it away. Britain deserved better then and it deserves better now.

What we needed was a Budget for the future. We needed a Budget that took tough decisions, rather than shirking them, such as the decision to start reducing the deficit in 2010 with a credible plan to eliminate the bulk of the structural deficit over the lifetime of the next Parliament. We needed a Budget that answered the critics in the markets, in the business community and among overseas investors who have repeatedly condemned the Government's plans as inadequate, incomplete and incredible.

When the family budget gets tight, people have to think about what they can afford. When the national finances are in this kind of crisis, we as a nation have to think about what we can afford. It is clear that Britain cannot afford five more years of this—five more years of Labour's debt, waste and taxes. That would bring a risk of interest rate rises choking growth, mortgage rates soaring for millions of families and the UK's credit rating in play. It would mean five more years of a Labour Government who were elected on a bogus promise to carry on spending, which they know they cannot keep.

It is time for a change and for a new Government with the vigour, the commitment and the energy to sort out the mess this country is in and to get us back on the

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path of sustainable economic growth, securing both private prosperity and high-quality public services for future generations. Let us do that now. Let us stop Labour's waste so that we can stop Labour's tax rises. Let us tackle the debt, not talk about it. Let us put this discredited Parliament and this discredited Government behind us. Let us vote for the change that Britain needs.

9.44 pm

The Chief Secretary to the Treasury (Mr. Liam Byrne): May I apologise again for missing the start of the debate, Mr. Deputy Speaker?

Miss McIntosh: On a point of order, Mr. Deputy Speaker. I was present at the start of the debate and it was notable that the right hon. Gentleman was not. I wonder on what basis he is going to reply to the debate given that he has not been present to witness or participate in it.

Mr. Deputy Speaker (Sir Alan Haselhurst): I say to the hon. Lady that the matter has been taken up, perhaps when she was temporarily not in the House herself. It has been dealt with, and I think that we should now complete the Budget debate.

Mr. Byrne: I am grateful for your guidance, Mr. Deputy Speaker.

I was about start on a note of consensus, by agreeing with the shadow Chief Secretary that we have had four days of full and frank debate about the Budget. I should like to begin my words of congratulation with a tribute to my right hon. Friend the Member for West Dunbartonshire (John McFall). He is not in his place at the moment, but he has made a significant contribution, just as he has contributed to economic debates in this House over the last 22 years—and not least during the eight years in which has chaired the Treasury Committee.

My right hon. Friend outlined the importance of the Budget's measures to support small business, and he endorsed the view that to end Government support for small business now would be nothing short of inviting disaster. I know that all Members of the House will join me in wishing him a long and enjoyable retirement.

Over the course of these debates, some hon. Members have argued for a faster pace of deficit reduction. We heard contributions on that from the right hon. and learned Member for Devizes (Mr. Ancram), and from the hon. Members for Stratford-on-Avon (Mr. Maples), for Gainsborough (Mr. Leigh), for Stone (Mr. Cash) and for Bournemouth, East (Mr. Ellwood). We also heard this afternoon from the hon. Member for South Staffordshire (Sir Patrick Cormack), who was making his last contribution in this place, and he was echoed by the hon. Member for Daventry (Mr. Boswell).Others, on the other hand, argued that the stimulus provided in the Budget was insufficient. That was the argument as set out by the right hon. Member for Banff and Buchan (Mr. Salmond) in his final contribution to debates in this House.

Others, however, have welcomed this Budget for its help for manufacturing and business, and for its investment in their communities. My right hon. Friends the Members for Sheffield, Central (Mr. Caborn) and for Barrow and Furness (Mr. Hutton), as well as the hon. Member for Teignbridge (Richard Younger-Ross), my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) and the hon. Member for Upper Bann (David Simpson), echoed that point. This afternoon, my hon. Friend the Member for Thurrock (Andrew Mackinlay) made the same point in his valedictory speech, as did my hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase).

Others welcomed the Budget's investment in infrastructure such as Thameslink, which was the point made by my hon. Friend the Member for Crawley (Laura Moffatt), while others welcomed the investment in schools, the point made by my right hon. Friend the Member for Rother Valley (Mr. Barron). The hon. Member for Leominster (Bill Wiggin) made a powerful argument in support of the cider industry, and this afternoon the hon. Member for Northampton, South (Mr. Binley) flagged the impact on pubs.

This morning, the Office for National Statistics confirmed that the British economy grew not by 0.1 per cent., or indeed 0.3 per cent., at the end of last year, but by 0.4 per cent., which is faster than Germany, Italy and across the European area. We must, of course, remain cautious, but it is fresh and welcome evidence that the action taken by my right hon. Friend the Chancellor has worked.

That action has kept unemployment in this country down. It is 2 per cent. lower than across Europe, and 2 per cent. lower than America. The Chancellor's action has worked to keep the rates of repossessions and business failures at half of what we saw in the 1990s. So the central argument set out in the Budget has to do with how we build on that action, lock in recovery over the months and years to come, and secure growth.

That is why the Budget puts up public spending for the year ahead, rather than cuts it. That is why it widens the help for business cash flow, and why we are taking sweeping measures to increase lending to small and medium-sized businesses. It is why we are extending the offer of a job to every young person out of work for six months, and why we are bringing together £4 billion of new investment in small businesses. It is why we are creating a £2 billion green investment bank, doubling entrepreneurs' relief to £2 million, and investing £250 million more in our transport infrastructure. We will not leave recovery to chance, and we will not leave the jobs of tomorrow to the vicissitudes of the marketplace.

The Budget puts £2.5 billion towards supporting the jobs of the future—what a contrast to the Opposition! The Leader of the Opposition is fond of saying that his party's evolution is something of a journey. It would be a good aphorism for his economic policy, as it is a journey that has gone round in circles. Back in 2006, the shadow Chancellor said that stability and not tax cuts was his priority. In 2007, he dropped stability and said that tax cuts were all that mattered. Then he said that he would stick with our spending plans, and then that he would not. Then he said that he would prioritise the deficit, and now he is back to tax cuts.

It was no surprise to hear the hon. Member for Runnymede and Weybridge (Mr. Hammond) tell the BBC, "Of course there is no plan." He was not kidding. First he got it wrong on regulation, then on banks, then on saving jobs, and now he has got it wrong on helping business.

The Tory plan to scrap investment allowances, says the Institute for Fiscal Studies, would

"be at the expense of businesses that are investing heavily in the UK."

The international tax adviser to General Electric said it was a "real own goal". The Engineering Employers Federation—a body not known for its slavish adherence to Labour party orthodoxy—has said that abolishing those allowances

"would be a disaster. Any business would have to think twice about investing in the UK."

Did that move the Conservative party? Of course not. As the hon. Member for Fareham (Mr. Hoban) said, ignoring GE and the EEF was the right thing to do because he would not be

"seduced by the arguments of losers."

With policy brains such as that at work, it is scarcely a surprise that the right hon. and learned Member for Rushcliffe (Mr. Clarke) has been manoeuvred in to help. As I was casually looking at my favourite new blog, order-order.com, I was surprised to read that at Tory central office the shadow Chancellor's desk is now listed as "George Osborne/Hotdesk". Are they trying to send him a message? May I comfort him with the news that we have strengthened protection for temporary workers?

The truth is that Conservative Front Benchers are auditioning for the same job without a script. That is the only explanation for why one day the right hon. Member for Witney (Mr. Cameron) says that Greece represents

"the scale of the problem we could face",

and the next, the shadow Chief Secretary says

"nobody is suggesting that we are going to follow Greece".

One day, the Leader of the Opposition says:

"Of course there is a danger if you do too much too early, you could choke off demand."

The next day, the shadow Chief Secretary says, "We've got to make a start in 2010." The IMF, the IFS, UBS, the CBI, two Nobel laureates and, greater still, the hon. Member for Twickenham (Dr. Cable) say that now is not the time to slam on the brakes, as do 186 members of the IMF. Only North Korea and Iran disagree.

At the very least, may I ask the shadow Chancellor to listen to his own fiscal adviser, Sir Alan Budd, the former Treasury chief economist? He says:

"If you go too quickly then there is a risk that the recovery will be snuffed out".

Mr. Deputy Speaker, you know that you are in trouble when your own adviser starts repeating Labour's dividing lines.

Alongside our plan to secure recovery and growth, the Chancellor set out our plan to halve the deficit. It is the most ambitious plan in the G7. The forecasts set out by the Chancellor show that debt over the next few years will be £100 billion lower than forecast. That means that borrowing will fall by £78 billion over the next four years: £19 billion will come from increased taxes and £38 billion from cuts in public spending, with the rest coming from a return to growth in the economy.

Difficult decisions will be demanded of us, but we will approach that challenge determined to protect vital front-line services—in health, education and police numbers—while we bring borrowing down. Because we blunted the force of the recession, our tax receipts are better than expected. Borrowing this year is £11 billion lower, but our plan to halve the deficit will continue at the same pace.

We have already announced tax increases that make up £19 billion in tax by 2013-14. In this Budget, we set out, Department by Department, £16 billion in cuts and efficiencies by 2012-13, on top of which will come £4.5 billion in savings by holding down public sector pay and reforming public sector pensions, as well as £300 million more in welfare reform savings.

We do not salivate at the prospect of making those savings. We will do them carefully as we preserve our commitment to protecting front-line spending on the NHS, Sure Start, schools and police numbers. Conservative Members have attacked the clarity of the Budget, but the truth is that this week we have learned a lot about the plans of the Conservative party. Last week, the shadow Chief Secretary said to me that it was impossible to deliver £11 billion in efficiencies in two years' time. Yesterday, the shadow Chancellor said he could do it in two weeks' time. We are now being invited to believe that he can save £12 billion from Government budgets, although he cannot say which ones—not to pay down debt, but to pay for a tax cut.

Even the shadow Chancellor has said that that will cost £5.6 billion, but the Treasury has now costed those increases in national insurance thresholds at £6 billion in 2011-12, £6.3 billion in 2012-13 and 2013-14, and £6.7 billion in 2014-15. Once again he has got his sums wrong. This policy is not a U-turn; it is more of a handbrake turn. Only the right hon. and learned Member for Rushcliffe had the honesty to say that only in the Budget after the election will we know if the national insurance tax cut is affordable. This policy from a shadow Chancellor who told us

"if you want to cut taxes you can't simply rely on more buoyant tax revenues, you can't simply rely on cutting red tape".

The Conservative party now has something of the order of £34 billion of unfunded tax and spending commitments—and counting. Just to meet those promises alone, let alone cut the deficit faster, it will need new tax rises or deeper cuts to front-line public spending. It is a huge credibility gap, which, frankly, it cannot fill. Despite this spiralling loss of control, it persists with the argument that it can cut the deficit further and faster. But it will not say which Departments it will cut next year. It will not say what it will cut next year. It will not say when it will halve the deficit. It will not say how much further it will cut the structural deficit.

The shadow Chief Secretary is fond of saying that he will take out the bulk of the structural deficit during the next Parliament. Labour's plans already take out two thirds. Why will not the Conservatives tell us what "bulk" means. What does it look like? How would we recognise it if we saw it? Why do they insist on it being a secret? Why is this bulk being hidden away from us? After all of these debates, we are none the wiser.

The Chancellor's Budget set out an argument for fairness. This Budget was a Budget for the many, not the few. That is why the greatest burden will be carried by those with the broadest shoulders. In our deficit reduction plan, 60 per cent. of the £19 billion in new taxes that we need to secure will be paid for by the top 5 per cent. of earners. What a contrast to the Conservative

[Mr. Byrne]

party, which has said that it will cut child tax credits and child trust funds for families on modest incomes, all to pay for a £200,000 tax break for the 3,000 richest estates in Britain.

Our Budget seeks to extend help where it is needed and to support aspiration, hard work and families. That is why, for those families seeking to buy their first home, the Budget includes a two-year stamp duty holiday for those first-time buyers of properties of up to £250,000 in value. It helps with targeted support for children. The new child tax credit of £4 a week will help families with children aged one and two from April 2012—a point made by the right hon. Member for Maidstone and The Weald (Miss Widdecombe) earlier. It will extend extra help for Britain's 12 million pensioners, with a 2.5 per cent. increase in the basic state pension from April 2010, and extra help again for winter fuel payments.

What a contrast that is to the policies of the Conservative party. It is not a party of change because it has not changed its party. Five years of rebranding cannot hide its attempt to destroy child tax credits. Just to save the £400 million, it needs to make its own sums add up. It would have to cut credits for people earning as little as £16,000 a year. Its plans to cut child trust funds would rip the heart out of the scheme, taking away a scheme that encourages parents and grandparents to save for a child's future—all to pay for a £200,000 tax cut for the 3,000 richest estates in Britain.

The truth is, this was a policy authored by the shadow Chancellor. Some shadow Chancellors lack experience and some lack judgment, but this shadow Chancellor lacks both. The truth is that these debates have revealed the Tory party as risky, wrong and unfair. Find me the parent on a modest income who says, "Please scrap my child tax credit. Those 3,000 richest estates desperately need an inheritance tax cut." Our plan is for securing the recovery and renewing our country, and I commend the Budget to the House.

Question put and agreed to.

Resolved,

That—

(1) It is expedient to amend the law with respect to the National Debt and the public

revenue and to make further provision in connection with finance.

(2) This Resolution does not extend to the making of any amendment with respect to value added tax so

as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation,

(b) for refunding an amount of tax,

(c) for any relief, other than a relief that—

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.

The Deputy Speaker put forthwith the Questions necessary to dispose of the motions made in the name of the Chancellor of the Exchequer (Standing Order (No. 51(3)).

Mr. Deputy Speaker: Instead of reading out each motion in full, I propose to follow the procedure used in recent years—that is to say I will first state the title of the motion and then put simply the Question that the motion be agreed to.

2. INCOME TAX (CHARGE, MAIN RATES, THRESHOLDS AND ALLOWANCES ETC FOR 2010-11)

Resolved,

That—

(1) Income tax is charged for the tax year 2010-11.

(2) For that tax year—

(a) the basic rate is 20%,

(b) the higher rate is 40%, and

(c) the additional rate is 50%.

(3) The amounts specified in the following provisions of the Income Tax Act 2007 are the same for the tax year 2010-11 as for the tax year 2009-10—

(a) sections 10(5) and 12(3) (basic rate limit and starting rate limit for savings),

(b) sections 35, 36(1), 37(1) and 38(1) (personal allowances and blind person's allowance),

(c) sections 43, 45(3)(a) and (b) and 46(3)(a) and (b) (tax reductions for married couples and civil partners), and

(d) sections 36(2), 37(2), 45(4) and 46(4) (adjusted net income limit).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

3. CORPORATION TAX (CHARGE AND MAIN RATES FOR FINANCIAL YEAR 2011)

Question put,

That—

(1) Corporation tax is charged for the financial year 2011.

(2) For that year the rate of corporation tax is—

(a) 28% on profits of companies other than ring fence profits, and

(b) 30% on ring fence profits of companies.

(3) In paragraph (2) "ring fence profits" has the same meaning as in Part 8 of the Corporation Tax Act 2010 (see section 276 of that Act).

The House divided: Ayes 350, Noes 175.

Division No. 120] **[10.1pm**

AYES

Abbott, Ms Diane	Berry, Roger
Ainger, Nick	Betts, Mr. Clive
Ainsworth, rh Mr. Bob	Blackman, Liz
Alexander, Danny	Blackman-Woods, Dr. Roberta
Alexander, rh Mr. Douglas	Blears, rh Hazel
Allen, Mr. Graham	Blunkett, rh Mr. David
Anderson, Mr. David	Borrow, Mr. David S.
Anderson, Janet	Bradshaw, rh Mr. Ben
Austin, Mr. Ian	Breed, Mr. Colin
Bailey, Mr. Adrian	Brennan, Kevin
Bain, Mr. William	Brooke, Annette
Baird, Vera	Brown, Lyn
Balls, rh Ed	Brown, rh Mr. Nicholas
Banks, Gordon	Brown, Mr. Russell
Barlow, Ms Celia	Browne, Mr. Jeremy
Barrett, John	Bruce, rh Malcolm
Barron, rh Mr. Kevin	Bryant, Chris
Battle, rh John	Buck, Ms Karen
Bayley, Hugh	Burden, Richard
Beckett, rh Margaret	Burgon, Colin
Begg, Miss Anne	Burnham, rh Andy
Beith, rh Sir Alan	Burt, Lorely
Benn, rh Hilary	Butler, Ms Dawn
Benton, Mr. Joe	Byrne, rh Mr. Liam

Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, Simon
Humble, Mrs. Joan
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, Mr. Alan
Reid, rh John
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salmond, rh Mr. Alex
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel

Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Helen Jones and
Mr. Bob Blizzard

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, David T. C. *(Monmouth)*
Davies, Philip
Davis, rh Mr. David
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Malins, Mr. Humfrey
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Timpson, Mr. Edward
Tredinnick, David
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Widdecombe, rh Miss Ann
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Young, rh Sir George

Tellers for the Noes:
Mr. Brooks Newmark and
Jeremy Wright

Question accordingly agreed to.

4. CORPORATION TAX (SMALL PROFITS RATES AND FRACTIONS FOR FINANCIAL YEAR 2010)

Question put,

That—

(1) For the financial year 2010 the small profits rate is—

(a) 21% on profits of companies other than ring fence profits, and

(b) 19% on ring fence profits of companies.

(2) For the purposes of Part 3 of the Corporation Tax Act 2010, for that year—

(a) the standard fraction is 7/400ths, and

(b) the ring fence fraction is 11/400ths.

(3) In paragraph (1) "ring fence profits" has the same meaning as in Part 8 of the Corporation Tax Act 2010 (see section 276 of that Act).

The House divided: Ayes 297, Noes 230.

Division No. 121] **[10.16 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.

Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Fiello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Helen Jones and Mr. Bob Blizzard

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David

Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T. C. *(Monmouth)*
Davies, Philip
Davis, rh Mr. David
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Malins, Mr. Humfrey
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Salmond, rh Mr. Alex
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Widdecombe, rh Miss Ann
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Wishart, Pete
Young, rh Sir George

Tellers for the Noes:
Mr. Brooks Newmark and Jeremy Wright

Question accordingly agreed to.

5. STAMP DUTY LAND TAX (RELIEF FOR FIRST-TIME BUYERS)

Resolved,

That—

(1) Part 4 of the Finance Act 2003 (stamp duty land tax) is amended as follows.

(2) After section 57A insert—

"57AA First-time buyers

(1) A land transaction is exempt from charge under section 55 if—

(a) it is a relevant acquisition of a major interest in land,

(b) the land consists entirely of residential property,

(c) the relevant consideration (see section 55) for the transaction (other than any consisting of rent) is more than £125,000 but not more than £250,000,

(d) the purchaser, or (if more than one) each of the purchasers, is a first-time buyer who intends to occupy the residential property as the purchaser's only or main residence, and

(e) (subject to subsection (4)) the transaction is not one of a number of linked transactions.

(2) In this section "first-time buyer" means a person who—

(a) has not previously been a purchaser in relation to a relevant acquisition of a major interest in land which consisted of or included residential property,

(b) has not previously acquired an equivalent interest in such land under the law of a territory outside the United Kingdom,

(c) has not previously been, or been one of the persons who was, "the person" for the purposes of section 71A, 72, 72A or 73 in a case where the first transaction within the meaning of the section concerned was a relevant acquisition of a major interest in land which consisted of or included residential property, and

(d) would not have been such a person for those purposes in such a case if the provisions mentioned in paragraph (c) had been in force, and had had effect in the territory concerned, at all material times (subject, where required, to appropriate modifications).

(3) In this section "relevant acquisition of a major interest in land" means an acquisition of a major interest in land other than—

(a) the grant of a lease for a term of less than 21 years, or

(b) the assignment of a lease which has less than 21 years to run.

(4) Subsection (1)(e) does not prevent a transaction being exempt from charge under section 55 if each of the linked transactions is one the subject-matter of which is land, or an interest in or right over land, which falls within section 116(1)(a), (b) or (c) by reason of its connection with the same building."

(3) After section 73C insert—

"73CA Sections 71A to 73: first-time buyers

(1) Where section 71A, 72, 72A or 73 applies, the first transaction within the meaning of the section concerned is exempt from charge under section 55 if—

(a) the transaction is a relevant acquisition of a major interest in land,

(b) the land consists entirely of residential property,

(c) the relevant consideration (see section 55) for the transaction (other than any consisting of rent) is more than £125,000 but not more than £250,000,

(d) the person (within the meaning of the section concerned), or (if more than one) each of them, is a first-time buyer who intends to occupy the residential property as the person's only or main residence, and

(e) (subject to subsection (3)) the transaction is not one of a number of linked transactions.

(2) In subsection (1)—

"first-time buyer", and

"relevant acquisition of a major interest in land",

have the same meaning as in section 57AA.

(3) Subsection (4) of section 57AA applies for the purposes of this section."

(4) In section 110 (approval of regulations under general power), insert at the end—

"(6) This section does not apply to regulations containing only provision varying section 57AA or 73CA, or paragraph 15 of Schedule 9, which does not increase any person's liability to tax."

(5) In Schedule 9 (right to buy, shared ownership leases etc), insert at the end—

"First-time buyers

15 (1) This paragraph applies where—

(a) a lease is granted as mentioned in sub-paragraph (1)(a) of paragraph 2 and the conditions in sub-paragraph (2) of that paragraph are met but no election is made for tax to be charged in accordance with that paragraph,

(b) a lease is granted as mentioned in sub-paragraph (1)(a) of paragraph 4 and the conditions in sub-paragraph (2) of that paragraph are met but no election is made for tax to be charged in accordance with that paragraph,

(c) paragraph 4A applies in relation to the acquisition of an interest (but the acquisition is not exempt from charge by virtue of subparagraph (2) of that paragraph),

(d) a shared ownership trust is declared but no election is made for tax to be charged in accordance with paragraph 9, or

(e) an equity-acquisition payment is made under a shared ownership trust (but the equity acquisition payment, and the consequential increase in the purchaser's beneficial interest, are not exempt from charge by virtue of paragraph 10).

(2) Neither section 57AA nor section 73CA applies in relation to—

(a) the acquisition of the lease,

(b) the acquisition of the interest,

(c) the declaration of the shared ownership trust, or

(d) the equity-acquisition payment and the consequential increase in the purchaser's beneficial interest."

(6) The amendments made by this Resolution have effect in relation to any land transaction of which the effective date is on or after 25 March 2010 but before 25 March 2012.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

6. STAMP DUTY LAND TAX (RATE FOR RESIDENTIAL PROPERTY WHERE CONSIDERATION OVER £1M)

Resolved.

That provision may be made increasing the rate of stamp duty land tax for residential property in cases where the relevant consideration is more than £1 million.

7. INHERITANCE TAX (RATE BANDS)

Resolved.

That provision may be made disapplying the Table substituted in Schedule 1 to the Inheritance Tax Act 1984 by section 4 of the Finance Act 2007 and providing for section 8 of that Act not to have effect by virtue of any difference between the retail prices index for the month of September in 2010, 2011, 2012 and 2013 and the previous September.

8. ALCOHOLIC LIQUOR DUTIES (RATES)

Question put.

That—

(1) The Alcoholic Liquor Duties Act 1979 is amended as follows.

(2) In section 5 (rate of duty on spirits), for "£22.64" substitute "£23.80".

(3) In section 36(1AA)(a) (standard rate of duty on beer), for "£16.47" substitute "£17.32".

(4) In section 62(1A) (rates of duty on cider)—

(a) in paragraph (a) (rate of duty per hectolitre in the case of sparkling cider of a strength exceeding 5.5 per cent), for "£207.20" substitute "£217.83",

(b) in paragraph (b) (rate of duty per hectolitre in the case of cider of a strength exceeding 7.5 per cent which is not sparkling cider), for "£47.77" substitute "£51.04", and

(c) in paragraph (c) (rate of duty per hectolitre in any other case), for "£31.83" substitute "£36.01".

(5) For the table in Schedule 1 substitute—

"Table of Rates of Duty on Wine and Made-Wine

Part 1

Wine or Made-Wine of a Strength not Exceeding 22 per cent

Description of wine or made-wine	*Rates of duty per hectolitre*
Wine or made-wine of a strength not exceeding 4 per cent	69.32
Wine or made-wine of a strength exceeding 4 per cent but not exceeding 5.5 per cent	95.33
Wine or made-wine of a strength exceeding 5.5 per cent but not exceeding 15 per cent and not being sparkling	225.00
Sparkling wine or sparkling made-wine of a strength exceeding 5.5 per cent but less than 8.5 per cent	217.83
Sparkling wine or sparkling made-wine of a strength of 8.5 per cent or of a strength exceeding 8.5 per cent but not exceeding 15 per cent	288.20
Wine or made-wine of a strength exceeding 15 per cent but not exceeding 22 per cent	299.97

Part 2

Wine or Made-Wine of a Strength Exceeding 22 per cent

Description of Wine or Made-Wine	*Rates of Duty per Litre of Alcohol in Wine or Made-Wine* £
Wine or made-wine of a strength exceeding 22 per cent	23.80".

(6) The amendments made by this Resolution come into force on 29 March 2010. And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

The House divided: Ayes 303, Noes 223.

Division No. 122] **[10.29 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCrea, Dr. William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward

Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Robinson, rh Mr. Peter
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, David
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Sammy
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Helen Jones and Mr. Bob Blizzard

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T. C. *(Monmouth)*
Davies, Philip
Davis, rh Mr. David
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Malins, Mr. Humfrey
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus

Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Salmond, rh Mr. Alex
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Widdecombe, rh Miss Ann
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wishart, Pete
Young, rh Sir George

Tellers for the Noes:
Mr. Brooks Newmark and Jeremy Wright

Question accordingly agreed to.

9. TOBACCO PRODUCTS DUTY (RATES)

Resolved,

That—

(1) For the table in Schedule 1 to the Tobacco Products Duty Act 1979 substitute—

"*Table*

1. Cigarettes	An amount equal to 24 per cent of the retail price plus £119.03 per thousand cigarettes
2. Cigars	£180.28 per kilogram
3. Hand-rolling tobacco	£129.59 per kilogram
4. Other smoking tobacco and chewing tobacco	£79.26 per kilogram".

(2) The amendment made by paragraph (1) comes into force at 6 pm on 24 March 2010.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

10. VEHICLE EXCISE DUTY (MOTORCYCLE RATES)

Resolved,

That—

(1) In paragraph 2(1) of Schedule 1 to the Vehicle Excise and Registration Act 1994 (annual rates of duty: motorcycles)—

(a) in paragraph (c) (motorbicycle which has engine with cylinder capacity exceeding 400cc but not exceeding 600cc), for "£48" substitute "£50", and

(b) in paragraph (d) (motorcycle not within any of paragraphs (a) to (c)), for "£66" substitute "£70".

(2) The amendments made by paragraph (1) have effect in relation to licences taken out on or after 1 April 2010.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

11. FUEL DUTIES (RATES AND REBATES FROM APRIL 2010)

Question put,

That—

(1) The Hydrocarbon Oil Duties Act 1979 is amended as follows.

(2) In section 6(1A) (main rates)—

(a) in paragraph (a) (unleaded petrol), for "£0.5619" substitute "£0.5719",

(b) in paragraph (aa) (aviation gasoline), for "£0.3457" substitute "£0.3835",

(c) in paragraph (b) (light oil other than unleaded petrol or aviation gasoline), for "£0.6591" substitute "£0.6691", and

(d) in paragraph (c) (heavy oil), for "£0.5619" substitute "£0.5719".

(3) In section 6AA(3) (rate of duty on biodiesel), for "shall be £0.3619 a litre." substitute "is the same as that in the case of heavy oil."

(4) In section 6AB (rate of duty on bioblend)—

(a) in subsection (3), for the words after "is the" substitute "same as that in the case of heavy oil.", and

(b) omit subsections (4) and (5).

(5) In section 6AD(3) (rate of duty on bioethanol), for "shall be £0.3619 a litre." substitute "is the same as that in the case of unleaded petrol."

(6) In section 6AE (rate of duty on blends of bioethanol and hydrocarbon oil)—

(a) in subsection (3), for the words after "bioethanol blend" substitute "is the same as that in the case of unleaded petrol.", and

(b) omit subsections (4) and (5).

(7) In section 8(3) (road fuel gas)—

(a) in paragraph (a) (natural road fuel gas), for "£0.2216" substitute "£0.2360", and

(b) in paragraph (b) (other road fuel gas), for "£0.2767" substitute "£0.3053".

(8) In section 11(1) (rebate on heavy oil)—

(a) in paragraph (a) (fuel oil), for "£0.1037" substitute "£0.1055", and

(b) in paragraph (b) (gas oil), for "£0.1080" substitute "£0.1099".

(9) In section 14(1) (rebate on light oil for use as furnace fuel), for "£0.1037" substitute "£0.1055".

(10) In section 14A(2) (rebate on certain biodiesel), for "£0.1080" substitute "£0.1099".

(11) The following are revoked—

(a) the Hydrocarbon Oil Duties (Hydrogenation of Biomass) (Reliefs)

(b) the Hydrocarbon Oil Duties (Sulphur-free Diesel) (Hydrogenation of Biomass) (Reliefs) (Amendment) Regulations 2007 (S.I. 2007/2406), and

(c) regulation 11 of the Hydrocarbon Oil, Biofuels and Other Fuel Substitutes (Determination of Composition of a Substance and Miscellaneous Amendments) Regulations 2008 (S.I. 2008/753).

(12) The amendments made by this Resolution come into force on 1 April 2010.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

The House divided: Ayes 298, Noes 63.

Division No. 123] **[10.43 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David

Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Farrelly, Paul
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike

Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Helen Jones and
Mr. Bob Blizzard

NOES

Alexander, Danny
Barrett, John
Beith, rh Sir Alan
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Davey, Mr. Edward
Davies, Mr. Dai
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Featherstone, Lynne
Gidley, Sandra
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Hosie, Stewart
Howarth, David
Hughes, Simon
Hunter, Mark
Kennedy, rh Mr. Charles
Lamb, Norman
Leech, Mr. John
Llwyd, Mr. Elfyn
MacNeil, Mr. Angus
McCrea, Dr. William
McIntosh, Miss Anne
Moore, Mr. Michael
Mulholland, Greg
Öpik, Lembit
Pelling, Mr. Andrew
Price, Adam
Pugh, Dr. John
Reid, Mr. Alan
Robertson, Angus
Robinson, rh Mr. Peter
Rogerson, Dan
Rowen, Paul
Russell, Bob
Salmond, rh Mr. Alex
Sanders, Mr. Adrian
Simpson, David
Smith, Sir Robert
Spink, Bob
Stunell, Andrew
Thurso, John
Webb, Steve
Weir, Mr. Mike
Williams, Hywel
Williams, Mark
Williams, Stephen
Willott, Jenny
Wilson, Sammy
Wishart, Pete

Tellers for the Noes:
Mr. Roger Williams and
John Mason

Question accordingly agreed to.

12. FUEL DUTIES (FURTHER CHANGES IN RATES AND REBATES)

Question put,

That provision may be made amending rates of duty and rebates in the Hydrocarbon Oil Duties Act 1979 from 1 October 2010 and 1 January 2011.

The House divided: Ayes 294, Noes 61.

Division No. 124] **[10.54 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Farrelly, Paul
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John

Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Helen Jones and Mr. Bob Blizzard

NOES

Alexander, Danny
Barrett, John
Beith, rh Sir Alan
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Davey, Mr. Edward
Davies, Mr. Dai
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Featherstone, Lynne
Gidley, Sandra
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Hosie, Stewart
Howarth, David
Hughes, Simon
Hunter, Mark
Kennedy, rh Mr. Charles
Lamb, Norman
Leech, Mr. John
Llwyd, Mr. Elfyn
MacNeil, Mr. Angus
McCrea, Dr. William
Moore, Mr. Michael
Mulholland, Greg
Öpik, Lembit
Pelling, Mr. Andrew
Price, Adam
Pugh, Dr. John
Reid, Mr. Alan
Robertson, Angus
Robinson, rh Mr. Peter
Rogerson, Dan
Rowen, Paul
Russell, Bob
Salmond, rh Mr. Alex
Sanders, Mr. Adrian
Simpson, David
Smith, Sir Robert
Spink, Bob
Stunell, Andrew
Thurso, John
Webb, Steve
Weir, Mr. Mike
Williams, Hywel
Williams, Mark
Williams, Stephen
Willott, Jenny
Wilson, Sammy
Wishart, Pete

Tellers for the Noes:
Mr. Roger Williams and John Mason

Question accordingly agreed to.

13. AIR PASSENGER DUTY (RATES)

Resolved,

That provision may be made about the rates of air passenger duty.

14. LANDFILL TAX (STANDARD RATE)

Resolved,

That provision may be made about the standard rate of landfill tax.

15. AGGREGATES LEVY (RATE)

Resolved,

That provision may be made about the rate of aggregates levy.

16. CLIMATE CHANGE LEVY (RATES)

Resolved,

That provision may be made about the rates of climate change levy.

17. AMUSEMENT MACHINE LICENCE DUTY (RATES)

Resolved,

That—

(1) In section 23(2) of the Betting and Gaming Duties Act 1981 (amount of duty payable on amusement machine licence), for the table substitute—

"Table

Months for which licence granted	*Category A* £	*Category B1* £	*Category B2* £	*Category B3* £	*Category B4* £	*Category C* £
1	520	265	210	210	190	85
2	1,015	505	395	395	360	150
3	1,520	760	605	605	545	225
4	2,025	1015	800	800	725	300
5	2,540	1,270	1,000	1,000	900	375
6	3,050	1,520	1,195	1,195	1,085	450
7	3,555	1,775	1,395	1,395	1,265	520
8	4,060	2,025	1,600	1,600	1,450	600
9	4,570	2,285	1,800	1,800	1,630	675
10	5,075	2,540	1,995	1,995	1,810	750
11	5,580	2,795	2,195	2,195	1,990	820
12	5,805	2,905	2,285	2,285	2,075	860".

(2) The amendment made by paragraph (1) has effect in relation to cases where the application for the amusement machine licence is received by the Commissioners for Her Majesty's Revenue and Customs after 4 pm on 26 March 2010.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

18. BANK PAYROLL TAX

Resolved,

That provision (including provision having retrospective effect) may be made for and in connection with bank payroll tax.

19. LANDLINE DUTY

Question put,

That provision may be made for and in connection with landline duty.

The House divided: Ayes 339, Noes 168.

Division No. 125] **[11.06 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Sir Alan
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burt, Lorely
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Farrelly, Paul
Featherstone, Lynne
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, Simon
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric

Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Robertson, Angus
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salmond, rh Mr. Alex
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Ayes:
Helen Jones and Mr. Bob Blizzard

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, Mr. Dai
Davies, David T. C. *(Monmouth)*
Davies, Philip
Davis, rh Mr. David
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Key, Robert
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Maclean, rh David
Malins, Mr. Humfrey
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael

Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Timpson, Mr. Edward
Tredinnick, David
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Wright, Jeremy
Young, rh Sir George

Tellers for the Noes:
Mr. Brooks Newmark and James Duddridge

Question accordingly agreed to.

20. SIDEWAYS RELIEF ETC

Resolved,

That provision (including provision having retrospective effect) may be made amending Chapter 2 of Part 4 of the Income Tax Act 2007.

21. PROPERTY LOSS RELIEF

Resolved,

That provision may be made amending Chapter 4 of Part 4 of the Income Tax Act 2007.

22. CAPITAL ALLOWANCE BUYING

Resolved,

That provision (including provision having retrospective effect) may be made amending Part 2 of the Capital Allowances Act 2001 in relation to cases where there is a qualifying change in relation to a company.

23. LEASED ASSETS

Resolved,

That provision (including provision having retrospective effect) may be made about leased assets.

24. CUSHION GAS

Resolved,

That provision may be made about cushion gas.

25. SALES OF LESSORS

Resolved,

That provision (including provision having retrospective effect) may be made about sales of lessors.

26. CHARITIES AND COMMUNITY AMATEUR SPORTS CLUBS

Resolved,

That provision (including provision having retrospective effect) may be made in relation to charities and community amateur sports clubs.

27. REMITTANCE BASIS: MEANING OF "RELEVANT PERSON"

Resolved,

That provision may be made amending section 809M of the Income Tax Act 2007.

28. FOREIGN CURRENCY BANK ACCOUNTS

Resolved,

That provision (including provision having retrospective effect) may be made about foreign currency bank accounts.

29. RELIEFS AND REDUCTIONS FOR FOREIGN TAX

Resolved,

That provision (including provision having retrospective effect) may be made about arrangements that increase reliefs or reductions for foreign tax.

30. CHARGEABLE GAINS: TRANSFER OF ASSETS TO NON-RESIDENT COMPANY

Resolved,

That provision (including provision having retrospective effect) may be made about chargeable gains in relation to transfers of assets to companies not resident in the United Kingdom.

31. TRANSACTIONS IN SECURITIES

Resolved,

That provision may be made amending Chapter 1 of Part 13 of the Income Tax Act 2007.

32. APPROVED CSOP SCHEMES

Resolved,

That provision may be made about the kinds of shares to which approved CSOP schemes can apply.

33. UNAUTHORISED UNIT TRUSTS

Resolved,

That provision (including provision having retrospective effect) may be made about the taxation of unit holders of unauthorised unit trusts.

34. INDEX-LINKED GILT-EDGED SECURITIES

Resolved,

That provision (including provision having retrospective effect) may be made in relation to index-linked gilt-edged securities.

35. APPROVED SHARE INCENTIVE PLANS

Resolved,

That provision may be made about approved share incentive plans.

36. RELEASE AND WRITING OFF OF DEBTS

Resolved,

That provision (including provision having retrospective effect) may be made about the release and writing off of debts.

37. REPOS

Resolved,

That provision (including provision having retrospective effect) may be made amending paragraph 4 of Schedule 13 to the Finance Act 2007 and section 550 of the Corporation Tax Act 2009.

38. RISK TRANSFER SCHEMES

Resolved,

That provision may be made about risk transfer schemes.

39. INSURANCE COMPANIES (APPORTIONMENT)

Resolved,

That provision (including provision having retrospective effect) may be made for the apportionment of asset value increases.

40. PENSIONS (SPECIAL ANNUAL ALLOWANCE CHARGE)

Resolved,

That provision (including provision having retrospective effect) may be made amending Schedule 35 to the Finance Act 2009.

41. VALUE ADDED TAX (REVERSE CHARGE)

Resolved,

That provision may be made for and in connection with extending section 55A of the Value Added Tax Act 1994 to supplies of services.

42. INSURANCE PREMIUM TAX (SEPARATE CONTRACTS)

Resolved,

That—

(1) Part 3 of the Finance Act 1994 (insurance premium tax) is amended as follows.

(2) Section 72 (meaning of "premium") is amended as follows.

(3) After subsection (1A) insert—

"(1AA) A contract ("the relevant contract") is not to be regarded as a separate contract for the purposes of subsection (1A) above if conditions A to D are met.

(1AB) Condition A is that the insured is an individual ("I") and enters into the taxable insurance contract in a personal capacity.

(1AC) Condition B is that I—

(a) is required to enter into the relevant contract by, or as a condition of entering into, the taxable insurance contract, or

(b) would be unlikely to enter into the relevant contract without also entering into the taxable insurance contract.

(1AD) Condition C is that—

(a) the amount charged to I under the relevant contract in respect of any particular services is not open to negotiation by I, or

(b) the other terms on which particular services are to be provided to I under the relevant contract are not open to such negotiation.

(1AE) Condition D is that the amount charged to I under the taxable insurance contract is arrived at without a comprehensive assessment having been undertaken of the individual circumstances of I which might affect the level of risk."

(4) After subsection (9) insert—

"(9A) Provision may be made by order amending subsections (1AA) to (1AE) above."

(5) In section 74(4) and (6) (orders which need to be approved by House of Commons), for "or 71" substitute ", 71 or 72".

(6) The amendment made by paragraph (3) has effect in relation to payments made on or after 24 March 2010.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

43. INHERITANCE TAX (INTERESTS IN POSSESSION AND REVERSIONARY INTERESTS)

Resolved,

That provision (including provision having retrospective effect) may be made about interests in possession and reversionary interests.

44. STAMP DUTY RESERVE TAX (DEPOSITARY RECEIPT AND CLEARANCE SERVICES SYSTEMS)

Resolved,

That provision (including provision having retrospective effect) may be made about stamp duty reserve tax in relation to the transfer of securities issued in connection with depositary receipt systems and clearance services systems.

45. STAMP DUTY LAND TAX (PARTNERSHIPS)

Resolved,

That—

(1) In section 75C of the Finance Act 2003 (SDLT anti-avoidance: supplemental)—

(a) in subsection (8), omit paragraph (b) and the "and" before it, and

(b) after that subsection insert—

"(8A) Nothing in Part 3 of Schedule 15 applies to the notional transaction under section 75A."

(2) The amendments made by paragraph (1) have effect in relation to any notional transaction of which the effective date is on or after 24 March 2010.

(3) But those amendments do not have effect in relation to a notional transaction if any of the scheme transactions is—

(a) completed before that date,

(b) effected in pursuance of a contract entered into and substantially performed before that date, or

(c) effected in pursuance of a contract entered into before that date and not excluded by paragraph (4).

(4) A scheme transaction effected in pursuance of a contract entered into before 24 March 2010 is excluded by this paragraph if—

(a) there is any variation of the contract, or assignment (or assignation) of rights under the contract, on or after 24 March 2010,

(b) the transaction is effected in consequence of the exercise on or after that date of any option, right of pre-emption or similar right, or

(c) it is a land transaction and on or after that date there is an assignment (or assignation), subsale or other transaction relating to the whole or part of the subject-matter of the contract as a result of which a person other than the purchaser under the contract becomes entitled to call for a conveyance.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

46. ACCOUNTING STANDARDS

Resolved,

That provision (including provision having retrospective effect) may be made about cases where there is a change in accounting standards in relation to loan relationships or derivative contracts.

47. FURNISHED HOLIDAY LETTINGS

Question put,

That provision may be made about furnished holiday lettings.

The House divided: Ayes 286, Noes 219.

Division No. 126] **[11.25 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Hayard, Mr. Dai
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty

Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Ayes:
Lyn Brown and Mary Creagh

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T. C. *(Monmouth)*
Davies, Philip
Davis, rh Mr. David
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kennedy, rh Mr. Charles
Key, Robert
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Maclean, rh David
MacNeil, Mr. Angus
Malins, Mr. Humfrey
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Salmond, rh Mr. Alex
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Thurso, John
Timpson, Mr. Edward
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Wishart, Pete
Young, rh Sir George

Tellers for the Noes:
Jeremy Wright and James Duddridge

Question accordingly agreed to.

48. FSCS INTERVENTION IN RELATION TO INSURANCE CONTRACTS

Resolved,

That provision may be made about interventions under the Financial Services Compensation Scheme in relation to protected contracts of insurance.

49. ALCOHOLIC LIQUOR DUTIES (CIDER)

Resolved,

That provision may be made for and in connection with amending the definition of "cider" in the Alcoholic Liquor Duties Act 1979.

80. RELIEF FROM TAX (INCIDENTAL AND CONSEQUENTIAL CHARGES)

Resolved,

That it is expedient to authorise any incidental or consequential charges to any duty or tax (including charges having retrospective effect) that may arise from provisions designed in general to afford relief from taxation.

PROCEDURE (FUTURE TAXATION): That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may contain the following provisions taking effect in a future year—

(a) provision for corporation tax to be charged for the financial year 2011,

(b) provision increasing the rate of stamp duty land tax for residential property in cases where the relevant consideration is more than £1 million,

(c) provision about the standard rate of landfill tax,

(d) provision about the rate of aggregates levy,

(e) provision about the rates of climate change levy,

(f) provision for and in connection with the high income excess relief charge,

(g) provision about taxable benefits in respect of cars with a CO_2 emissions figure,

(h) provision amending section 317 of the Income Tax (Earnings and Pensions) Act 2003, and

(i) provision exempting certain persons from income tax in respect of certain income arising in connection with the 2011 Champions League final.

Ordered,

That a Bill be brought in upon the foregoing Resolutions;

That the Chairman of Ways and Means, the Prime Minister, Mr. Chancellor of the Exchequer, Secretary Hilary Benn, Secretary John Denham, Secretary Ed Miliband, Secretary Yvette Cooper, Mr. Liam Byrne, Mr. Pat McFadden, Miss Sarah McCarthy-Fry, Mr. Ian Pearson and Mr. Stephen Timms introduce the Bill.

Finance Bill

Presentation and First Reading

Mr. Stephen Timms accordingly presented a Bill to grant certain duties, to alter other duties, and to amend the law relating to the National Debt and the Public Revenue, and to make further provision in connection with finance.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 100) with explanatory notes (Bill 100-EN).

PERSONAL CARE AT HOME BILL

Motion made, and Question put forthwith (Standing Order No. 83A),

That the following provisions shall apply to the Personal Care at Home Bill for the purpose of supplementing the Order of 14 December 2009 (Personal Care at Home Bill (Programme)):

Consideration of Lords Amendments

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement at this day's sitting.

Subsequent stages

2. Any further Message from the Lords may be considered forthwith without any Question being put.

3. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*(Mark Tami.)*

Question agreed to.

Personal Care at Home Bill

Consideration of Lords amendments.

Mr. Deputy Speaker (Sir Michael Lord): I must draw the attention of the House to the fact that financial privilege is involved in Lords amendments 1, 2 and 4. If the House agrees to these amendments, I shall ensure that the appropriate entry is made in the Journal.

I should also inform the House that Mr. Speaker has given careful consideration to Lords amendment 3 to the Bill. He is satisfied that it would impose a charge on the public revenue that is not authorised by a resolution of the House. Therefore, when it is reached, I will announce that it is deemed to be disagreed to in accordance with paragraph 3 of Standing Order No. 78. It is therefore not available for debate.

Clause 1

FREE PROVISION OF PERSONAL CARE AT HOME

11.40 pm

The Minister of State, Department of Health (Phil Hope): I beg to move, That this House disagrees with Lords amendment 1.

Mr. Deputy Speaker: With this it will be convenient to discuss the following: Government motion to disagree, and Government amendment in lieu.

Lords amendment 2, and Government motion to disagree.

Lords amendment 4, and Government motion to disagree.

Phil Hope: This Bill, as the House knows, reaches out to some of the most vulnerable people in our community. We want to ensure that they can benefit from these reforms. I can therefore confirm to the House that we will look to offer free personal care at home for those with highest needs from April 2011.

However, we have listened to local government and we have listened to the concerns expressed in another place. By accepting Lords amendment 2, and given our intention not to move the amendment in lieu, we are recognising that a new Parliament may wish to confirm the arrangements for implementing this important first step towards a future national care service. Local authorities will still have the time that they have told us they need to implement the legislation most effectively, subject to Parliamentary approval of the commencement order.

I now turn to the Lords amendments. Mr. Speaker has designated Lords amendments 1 and 4 as involving privilege because they would alter the financial arrangements made by this House. However, we wish to agree with Lords amendment 2, as this recognises the collective desire for more time to implement these measures and more time to scrutinise them. It does so by requiring a commencement order to be laid and approved by both Houses before the Act can come into force.

Lords Amendment 1, in its current wording, would delay implementation of the scheme until June 2011 at the earliest. This is because it would prevent regulations from being made until 1 April 2011 at the earliest. We therefore disagree with Lords amendment 1, because people in many places say that April 2011 implementation is what they want.

Lords Amendment 4 would insert what is known as a sunset clause, and would require the Act resulting from this Bill to lapse at the end of two years after Royal Assent unless there were regulations in force. In addition to the question of privilege, Lords amendments 1 and 4 are inappropriate and unnecessary. They seek to delay implementation of the Bill beyond what is reasonable.

Today's White Paper makes it clear that the personal care offer enabled by this Bill is an integral part of the staged route to a national care service. However, we accept that a future Parliament may want to confirm the arrangements for implementation and will therefore accept Lords amendment 2. Lords amendment 2 would require that a commencement order be made before the provisions of the Bill could come into force. Additionally, such an order would need to be approved by the affirmative procedure, with consideration in both this House and the other place. This would give adequate time for a future Parliament to consider the measures, or leave them free to put the Act into force immediately if they so wished.

This Bill has been subject to rigorous debate both in this House and in another place. By disagreeing with amendments 1 and 4 on the grounds of privilege, I am not in any way intending to criticise the quality of debate in the Lords, which was of a consistently high standard and led us to include transitional portability of assessment. I hope that these proposals now clearly show that we have tried to achieve a consensus on the way forward.

11.44 pm

Mr. Stephen O'Brien (Eddisbury) (Con): It is absolutely clear that the Government are keen to get this Bill through, and we too are extremely keen to see social care reformed. Although we have proposed improving amendments during the passage of the Bill, let me stress that we have never opposed it. We believe that the noble Lords, on both sides of their House, who have amended the Bill have done so for the better and for the betterment of social care provision. They have done their constitutional job, and they have done it well, so I congratulate their lordships.

As much as I would relish the thought of debating the Bill through the night, and as much as these amendments represent the usual, slight embarrassment and defeats for the Government in the Lords, at the hands of those on both sides of that Chamber, including their own, I start by saying that the Government can have their Bill, because they have taken on board the advice of the Lords and because, in particular, they are supporting Lords amendment 2, which offers the opportunity and time for the provisions to be reconsidered in a future Parliament.

I pay tribute, however, to the nearly 6 million social care users in this country—a catch-all category that speaks of conditions from dementia to disabilities of which we will all be aware—and to the 6 million carers in this country, who, alongside the professionals in local authorities and the care services industry, work so tirelessly for the vulnerable and the less vulnerable, who just need a little help. They should be at the forefront of our minds as we consider the Bill tonight.

On the back of that, I would say very quickly that the Bill actually helps very few of those people. The Secretary of State has paraded the figure of 400,000, but the free

[Mr. Stephen O'Brien]

personal care section is aimed only at 276,000, of whom well over half—166,000—already receive free care. So the policy helps 110,000, when social care users will number 6 million by 2012. According to the Government's estimate, the provisions will take just 2,384 people out of care homes—one of the stated aims of the policy—out of a care home population of roughly 500,000.

I shall briefly put this in context. Earlier today, by way of a written ministerial statement, the Secretary of State announced the social care White Paper. This is not the moment to suggest either that it would have been more helpful to have an oral statement or that, during Health questions, he did not actually rule out the death tax option. However, it is important to recognise that the White Paper recommends that we have yet another commission, like the one ignored by the Labour Government in 2000. It states that the issue will be dealt with in the Parliament after next, but the Secretary of State pledged unstoppable momentum for reform in the next Parliament. Indeed, on Labour's timetable, reform will begin in 2017—20 years after Tony Blair's promise to end the scandal of people selling their homes to pay for the their care.

The White Paper does not mention costs, which no serious debate would ignore. It states that the Government have chosen the comprehensive funding model, but it is not actually a funding model; it is a delivery model. The funding is the question: where does the money come from? The flagship policy, which was taken from our last manifesto—we have, obviously, moved on further—is to fund the cost of people's care after they have spent two years in a care home, on the basis that they will avoid what the Secretary of State calls catastrophic costs. However, those two years will cost the individual £52,000. In that context, I hope that he will recognise that £52,000 is catastrophic, compared with the £8,000 we have proposed.

We have listened carefully to what the Government have done, which is not to move the earlier manuscript amendment and to accept the advice of the Lords in amendment 2, which affords the time that is required and was rightly requested in order for the costs to be properly evaluated and for local authorities to have the time that they have politely said that they need.

Mr. John Gummer (Suffolk, Coastal) (Con): Will the hon. Gentleman give way?

Mr. O'Brien: I will briefly give way, but we need to make progress.

Mr. Gummer: Will my hon. Friend contrast the consensus, which he supports, on care of these very vulnerable people with the fact that, in constituencies up and down the country, the Labour party is writing to them, saying that were there a Conservative Government, many of their benefits would be taken away? Is that not a disgraceful use of Government powers in dealing with vulnerable people?

Mr. O'Brien: I am grateful to my right hon. Friend. Indeed, it would be a disgrace were anybody to claim that any Opposition party, including the Conservative party, had suggested removing pensioner benefits. In the same way, it is not us who have suggested removing cash benefits, which are vital for those vulnerable people and their carers, in the form of either the attendance allowance or the disability living allowance for the under or over-65s, either now or going forward. My right hon. Friend makes a powerful point, and, having placed what I have said on the record, I hope that we will have no more such suggestions, in what I hope can be a clean campaign as we face the electorate.

Mr. William Cash (Stone) (Con): Will my hon. Friend be good enough to confirm that the Government have in fact performed a massive climbdown? Their proposals, as expressed on the "Today" programme this morning by the Secretary of State, indicate that they do not quite appreciate the extent to which they have done a massive U-turn. Does my hon. Friend have any idea of when the appointed day on which they will bring in the proposals is likely to be, because after all, they might not even be the Government then?

Mr. O'Brien: My hon. Friend makes the point, which I think the Government accept, that they have sought to introduce the Bill at breakneck speed. We have often discussed the provenance of the Bill, which was quickly put together for the Prime Minister's conference speech last September. The Government then produced a Green Paper, yet the principles that underlie this Bill seem to fly in the face of the principles that they ruled out in that Green Paper, and only today has a White Paper been produced. The costs have been estimated in a way that they first had to be withdrawn, and they remain uncertain. Many local authorities signed a letter to the newspapers to suggest that they had not had a chance to get the scheme ready for the time proposed. Ultimately, therefore, my hon. Friend is right that there has been some concern, but it is important that we should portray what the Government have done as an attempt at an honourable retreat, rather than as a U-turn.

Above all, local authorities will have a chance to take advice and make the necessary estimation of the cost if the Bill is introduced by way of a commencement order under the affirmative resolution procedure, as would be the case under Lords amendment 2, which the Government have rightly agreed should be agreed. That will give whoever forms the next Government the opportunity to decide how the Bill sits in the context of the policies that are developed going forward, and whether it should form part of a retrospectively justifying stage 1 of a White Paper or what we hope will be a much speedier process of total social care reform, although we shall have to wait and see what the judgment of the electorate is in the forthcoming general election.

With those comments I am happy to welcome the approach that the Government have taken, in having taken the advice of the Lords and deciding to take the process forward in the way that they have.

11.52 pm

Norman Lamb (North Norfolk) (LD): We, too, have listened carefully to what the Government have proposed, and we accept the position. We are critical of the Bill for the same reasons that the noble Lords Lipsey and Warner set out in the other place. We feel that it cuts against the process of reform that was first set out in the Green Paper. We do not see the Bill as a bridge to

reform, as the Government have described it, but, at the very least, the amendments before us offer an opportunity to pause for reflection in the next Parliament. Likewise, we, too, take the view that we must move to implement a fundamental reform of social care in the next Parliament. It cannot wait until the Parliament after that.

It is for that reason that I have concerns about the White Paper, which was published today, in that it delays a fundamental reform of the system, a reform that we think is long overdue. There are things in the White Paper that we strongly support, particularly the much closer integration of health and social care, the focus on prevention and ensuring the maximum choice and freedom for individuals in how the money is used, but we believe that there is an overwhelming case for getting on with reform, which we would want to see early in the next Parliament. Following the election we will continue to make the case for the three parties to work together to secure that reform as quickly as possible.

Lords amendment 1 disagreed to.

Lords amendment 2 agreed to, with Commons privileges waived in respect of Lords amendment..

Mr. Deputy Speaker: As I advised the House earlier, Mr. Speaker has given careful consideration to Lords amendment 3 to the Bill. He is satisfied that it would impose a charge on the public revenue which is not authorised by a resolution of this House. Therefore under paragraph 3 of Standing Order No. 78, Lords amendment 3 is deemed to be disagreed to.

Lords amendment 3 deemed to be disagreed to (Standing Order No. 78(3)).

Lords amendment 4 disagreed to.

Ordered, That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing to their amendments 1, 3 and 4;

That Mary Creagh, Phil Hope, Norman Lamb, Mr. Stephen O'Brien and Phil Wilson be members of the Committee;

That Phil Hope be the Chair of the Committee;

That three be the quorum of the Committee;

That the Committee do withdraw immediately.—*(Mark Tami.)*

Committee to withdraw immediately; reasons to be reported and communicated to the Lords.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118 (6)),

Constitutional Law

That the draft National Assembly for Wales (Legislative Competence) (Housing) (Fire Safety) Order 2010, which was laid before this House on 28 January, be approved.

That the draft National Assembly for Wales (Legislative Competence) (Local Government) Order 2010, which was laid before this House on 10 February, be approved.

That the draft National Assembly for Wales (Legislative Competence) (Education) Order 2010, which was laid before this House on 24 February, be approved.

That the draft National Assembly for Wales (Legislative Competence) (Culture and Other Fields) Order 2010, which was laid before this House on 24 February, be approved.—*(Mark Tami.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Children and Young Persons

That the draft Children Act 2004 Information Database (England) (Amendment) Regulations 2010, which were laid before this House on 28 January, be approved.—*(Mark Tami.)*

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 7 April (Standing Order No. 41A).

Motion made, and Question put forthwith (Standing Order No. 118 (6)),

Charities

That the draft Charities (Disclosure of Revenue and Customs Information to the Charity Commission for Northern Ireland) Regulations 2010, which were laid before this House on 28 January, be approved.—*(Mark Tami.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No.118 (6)),

Pensions

That the draft Financial Assistance Scheme (Miscellaneous Amendments) Regulations 2010, which were laid before this House on 3 February, be approved.—*(Mark Tami.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118 (6)),

Public Passenger Transport

That the draft Concessionary Bus Travel Act 2007 (Variation of Reimbursement and Other Administrative Arrangements) Order 2010, which was laid before this House on 3 February, be approved.—*(Mark Tami.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118 (6)),

Criminal Law

That the draft Criminal Procedure and Investigations Act 1996 (Code of Practice for Interviews of Witnesses Notified by Accused) Order 2010, which was laid before this House on 5 February, be approved.—*(Mark Tami.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118 (6)),

Building Societies

That the draft Building Societies (Insolvency and Special Administration) (Amendment) Order 2010, which was laid before this House on 8 February, be approved.—*(Mark Tami.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118 (6)),

Education

That the draft Local Education Authorities and Children's Services Authorities (Integration of Functions) Order 2010, which was laid before this House on 10 February, be approved.—*(Mark Tami.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118 (6)).

SOCIAL SECURITY

That the draft Jobseeker's Allowance (Work for Your Benefit Pilot Scheme) Regulations 2010, which were laid before this House on 24 February, be approved.—*(Mark Tami.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118 (6)).

TERMS AND CONDITIONS OF EMPLOYMENT

That the draft Additional Paternity Leave (Adoptions from Overseas) Regulations 2010, which were laid before this House on 24 February, be approved.

That the draft Additional Statutory Paternity Pay (Adoptions from Overseas) Regulations 2010, which were laid before this House on 23 February, be approved.—*(Mark Tami.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118 (6)).

BUILDING SOCIETIES

That the draft Building Societies (Financial Assistance) Order 2010, which was laid before this House on 1 March, be approved.—*(Mark Tami.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118 (6)).

ACCESS TO JUSTICE

That the Legal Services Commission Funding Code: Criteria and Procedures, a copy of which was laid before this House on 8 March, be approved.—*(Mark Tami.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118 (6)).

LEGAL SERVICES COMMISSION

That the draft Criminal Defence Service (Information Requests) (Amendment) Regulations 2010, which were laid before this House on 27 January, be approved.

That the draft Criminal Defence Service (Representation Orders: Appeals, etc.) (Amendment) Regulations 2010, which were laid before this House on 28 January, be approved.—*(Mark Tami.)*

Question agreed to.

Motion made, and Question put forthwith (Order, 22 March, and Standing Order No. 118 (6)).

FINANCIAL ASSISTANCE TO INDUSTRY

That this House authorises the Secretary of State to undertake to pay, and to pay, by way of financial assistance under section 8 of the Industrial Development Act 1982, sums exceeding £10 million and up to a cumulative total of £380 million in respect of a guarantee which may be provided by the Secretary of State to the European Investment Bank in the event of a European Investment Bank loan to Ford Motor Company Limited.—*(Mark Tami.)*

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119 (11)).

That this House takes note of European Union Documents No. 7110/10, Commission Communication on Europe 2020–a strategy for smart, sustainable and inclusive growth, No. 6018/10, Commission staff working document on Europe 2020–public consultation–first overview of responses, and No. 6037/10, Commission staff working document–Lisbon Strategy evaluation document; and supports the Government's approach to promoting an EU strategy focused on delivering strong, sustainable and balanced growth.—*(Mark Tami.)*

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 7 April (Standing Order No. 41A).

PETITIONS

Planning and Development (Hadleigh, Essex)

12 midnight

Bob Spink (Castle Point) (Ind): Kelly and Ian King and many other excellent caring local people have compiled this petition in response to a development proposal that is entirely out of keeping with and intrusive on their environment, putting intolerable pressures on our roads and public services and therefore the residents' quality of life.

The petition states:

The Petition of local residents and others objecting to the back garden development of eight flats in two blocks at 21 Lynton Road Hadleigh,

Declares that the proposed development is out of character with the area, has insufficient parking and garden amenity space, would make an unacceptable imposition on the street scene, is by its bulk and design over obtrusive, would make unacceptable impositions on local road congestion, and on fresh water demand and sewage and surface water disposal, would make local road junctions serving the streets more dangerous, does not provide suitable access to the site from the road and would create disturbance, noise and other problems for local residents; further notes that there is sufficient previously developed land to provide all the housing needs for this region without such intensive building in the green belt or back gardens and that the council is under no obligation or pressure from the Government to vote for this application if it chooses not to.

The Petitioners therefore request that the House of Commons urges the Government to press Castle Point Borough Council, and the Conservative Council Group, to ensure this application is decided by councillors who can be held to account, rather than officers, and that it is rejected.

And the Petitioners remain, etc.

[P000798]

Planning and Development (Benfleet, Essex)

Bob Spink (Castle Point) (Ind): This petition was organised by Brian Keeler, a superb campaigner, well known and valued by his community for the work he does. He is campaigning against totally inappropriate development, which I urge councillors to reject. The petition is a long one; it will be printed in *Hansard*.

Following is the full text of the petition:

[The Petition of Brian Keeler, the residents of Castle Point and others,

Declares that they object to the proposed development of the area between Nos. 18 to 32 High Road, Benfleet to construct a building providing 5 Retail Units at Ground Level, 22 Parking Spaces, 2 Offices, plus 12 x 2 bed flats and 2 x 1 bed flats at 1st and 2nd floor levels; that this development should be rejected because the proposed, much larger building would dominate and overlook existing properties, bring unacceptable problems including inadequate

parking, fails to show where access to and from the site parking area, bearing in mind an existing public parking area in Adelaide Gardens, vague refuse storage area, restricted sight lines for emerging traffic from St Mary's Drive, reduction of the pavement, loss of light entering adjoining buildings and relocation of the heritage telephone kiosk and post box; further declares that this development would further spoil the Conservation Area and create unacceptable stress on the existing infrastructure, including roads, schools, rail, doctors, dentists, etc.; that for these and many other valid planning reasons this application be rejected by the local Councillors, elected to represent their constituents, and that given the importance to the wider community of protecting this unique Conservation Area, unelected and unaccountable officers must properly and widely consult the public before permitting such developments.

The Petitioners therefore request that the House of Commons urges the Government to press Castle Point Borough Council, and all Councillors, to reject this planning application and to substantially protect the unique St Mary's Conservation area.

And the Petitioners remain, etc.]

[P000799]

Bus Service (Essex)

Bob Spink (Castle Point) (Ind): This is my third petition, which you will be glad to hear, Mr. Deputy Speaker, is my last in this Parliament. It was produced by Carol Tebbutt, the wonderful people of Age Concern and others in Castle Point who want to see an improved bus service. My goodness, we all want to see that. The petition is long and will be printed in *Hansard*.

Following is the full text of the petition:

[The Petition of Carol Tebbutt, members of Age Concern Canvey Island, the residents of Castle Point and others,

Declares that they object to the reduction in frequency of low-floor buses operating on the number 21 bus route between Southend and Canvey Island, operated by FirstGroup; that this reduction in the number of low-floor buses discriminates against passengers with greater accessibility needs, including the elderly, infirm, adults accompanying small children and those with limited mobility; further, that this route is used by residents travelling to and from Southend Hospital and requiring frequent, accessible, reliable and comfortable bus services; that for these and many other valid reasons only low-floor buses be operated by FirstGroup on this route and at greater frequency.

The Petitioners therefore request that the House of Commons urges the Government to press FirstGroup to operate only low-floor buses and at shorter intervals on the number 21 bus route between Southend and Canvey Island.

And the Petitioners remain, etc.]

[P000800]

High School Provision (Stoke-on-Trent South)

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): Stoke-on-Trent city council has today turned a £250 million Building Schools for the Future success story into a disaster, but all is not lost. The council—Conservative-run at the moment—can still do the right thing. In line with what the Schools Minister has repeatedly said, we can have a two-school solution—keeping a community school at Mitchell High, while building the new 20:20 academy on the Longton High site. I have with me tonight the start of a petition, which is still gathering hundreds of signatures. The petition calls for the two-school solution that the people of Stoke-on-Trent want. It reads:

The Petition of the undersigned,

Declares that there is a desire among the people of the city of Stoke-on-Trent that there should be a High School serving the communities of Longton, Meir, Weston Coyney, Normacot, Dresden, and other areas in that vicinity.

The Petitioners therefore request that the House of Commons call upon the Government to take steps to instruct Stoke-on-Trent City Council that it may, as part of the BSF programme, have a "two-school solution" to the issue of the location of the new 20:20 Academy, thereby building a new school on the fields adjacent to Longton High School and continuing to use the Mitchell High School.

And the Petitioners remain, etc.

[P000801]

Hunting with Dogs

Michael Jabez Foster (Hastings and Rye) (Lab): I have been asked to present the petition of Mr. Kim Stallwood, a passionate animal welfare advocate, and some 4,000 of my constituents, bringing attention to proposals to bring back the barbaric blood sport of fox hunting. The petition states:

The Petition of residents of Hastings and Rye and others,

Declares that the petitioners believe that hunting with dogs is cruel; further declares that the Petitioners oppose the efforts of local Conservative Parliamentary Candidate Amber Rudd and the Conservative Party to have the ban repealed, further declares that the Petitioners support the Hunting Act 2004 and the Back the Ban campaign; and that the Petitioners support Michael Foster, MP for Hastings and Rye, in his campaign to keep hunting illegal.

The Petitioners therefore request that the House of Commons reject any proposal to legalise hunting with dogs.

And the Petitioners remain, etc.

[P000802]

Gypsies and Travellers (Security of Tenure)

Julie Morgan (Cardiff, North) (Lab): My first petition was organised by Cathay Birch.

Unlike other social tenants, Gypsies and Travellers on rented pitches have no rights to security of tenure, and both the European Court of Human Rights and the House of Lords have said that that amounts to a breach of human rights. The Government have recognised that, and have said that they will amend the law by including council sites in the Mobile Homes Act 1983. However, the Government have not had the time to introduce the necessary legislation.

The petition was signed by 608 people and states:

The Petition of Cathay Birch and others,

Declares that the European Court of Human Rights (in 2004) and the House of Lords (in 2008) have stated that the situation regarding the lack of security of tenure for Gypsies and Travellers on rented pitches amounted to a breach of Human Rights; that the Government said they would amend the law by including Council sites within the provisions of the Mobile Homes Act 1983; that the Government then released an e-mail to certain organisations on 10th February 2010 saying that they no longer had time to introduce the necessary amending powers; and that this has happened despite the fact that security of tenure could be introduced with a few simple sentences;

[Julie Morgan]

Further declares that the Petitioners believe the Government should take action now to resolve this breach of Human Rights by amending legislation to ensure Gypsies and Travellers on rented pitches have the same rights to security of tenure as other social housing tenants.

The Petitioners therefore request that the House of Commons call upon the Government immediately to bring forward proposals to amend the Act of Parliament pertaining to security of tenure of Gypsies and Travellers on rented pitches to ensure that security of tenure is given.

[P000804]

Proposed Eviction (Dale Farm and Hovefields, Essex)

Julie Morgan (Cardiff, North) (Lab): My second petition, to which there are 15 signatures, concerns the proposed eviction of Gypsy and Traveller families at Dale Farm and Hovefields by Basildon council. It was organised by Ann Dean. The families include invalid schoolchildren, some of whom have special needs, elderly people, and many who are living on their own land. The petition states:

The Petition of families at Dale Farm and Hovefields to be evicted, their supporters and others,

Declares that roughly 100 families at Dale Farm and Hovefields are to be evicted by Basildon Council in Essex at a cost of over £2 million; that most of the families to be evicted by Basildon Council have lived on their own land for about seven years, and they include invalids who will be separated from their Carers and school children, some of whom have Special Needs, who on the roadside will be deprived of their Human Right to Education; that this mass eviction will be carried out by a firm of Bailiffs whose brutality was condemned by the High Court, and therefore breaks the solemn signed undertaking by Basildon Council to the High Court, to only use Bailiffs of previous good conduct;

Further declares that the Petitioners believe Basildon Council is also breaking the terms and the purpose of sections 225 and 226 of the 2004 Housing Act, which say that every local housing authority must "prepare a strategy" to meet the "accommodation needs" of the "gypsies and travellers residing in or resorting to their area", whilst in fact Basildon Council says that any new pitches which it allows will not be reserved for local Travellers who are already residing in the area; that this contradicts their statement that the new pitches will be allocated by their housing policy as the 1996 Housing Act normally requires a "local connection"; that it also means that the local Travellers may have to live by the roadside although the 2004 Housing Act promised them legal pitches by 2011.

The Petitioners therefore request that the House of Commons debate this matter; and urge the Secretary of State for Communities and Local Government: to exercise his powers under s225 and 226 of the 2004 Housing Act and s 8 of the 1985 Housing Act (c. 68) to see that all local authorities, including Basildon, find enough affordable pitches for all their local Travellers; to urge all local authorities to show humanity by following the decision of the Court of Appeal in 2008 in the Wychavon case, by not evicting Travellers, especially those on their own land, until an alternative affordable site is available for them, as was intended by the 2004 Housing Act to happen by 2011; to ask local authorities to follow the High Court decisions v Basildon in 2000 and 2004 that even normal school children should not be evicted; to ask Basildon to follow the High Court in the Margaret Price case by not offering Homeless Travellers only bricks and mortar, but affordable pitches; and to ask Basildon not to evict the sick, or the elderly or break its undertaking to the High Court not to use Bailiffs of bad conduct.

[P000803]

Hunting with Dogs

Mr. David Anderson (Blaydon) (Lab): It gives me great pleasure to present a petition on behalf of Mrs. Shirley Milne, 519 residents of Blaydon, and others, which states:

The Petition of residents of Blaydon Constituency and others,

Declares that the Petitioners agree with a ban on hunting with dogs, and believe the ban should be enforced rigorously and effectively; further declares that the Petitioners are opposed to any efforts to overturn the ban and allow the re-introduction of hunting with dogs in the future.

The Petitioners therefore request that the House of Commons reject any proposal to legalise hunting with dogs and asks the Government to reaffirm its opposition to hunting with dogs.

And the Petitioners remain, etc.

[P000805]

Tamil People (Sri Lanka)

Mr. Andrew Pelling (Croydon, Central) (Ind): I am grateful to the House for its courtesy in allowing me to present so many petitions at the same time. The first reads as follows:

The Petition of the people of Croydon,

Declares that following the end of hostilities in Sri Lanka the detained Tamil people have been held against their will, without any freedom of movement in unsanitary IDP camps.

The Petitioners therefore request that the House of Commons urges HM Government to press the Sri Lankan government for the implementation of a thorough going release of Tamil people in IDP camps and the commencement of talks to bring home rule to Tamil lands to the benefit of all Sri Lanka.

[P000806]

Asylum Screening (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The second petition reads as follows:

The Petition of the people of Croydon,

Declares that the decision to make Croydon's Asylum Screening Unit the only such in-land unit could result in an additional 3,650 asylum seekers coming to Croydon each year, and that this will take a financial toll on local services.

The Petitioners therefore request that the House of Commons urges the Government to bring in a bill to ensure that the costs of implementing and running this policy are met from central funds.

[P000807]

Crystal Palace FC

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of football supporters,

Declares that The Football League should exercise discretion in its application of its rules that has led to the 10 point deduction from Crystal Palace FC, and notes that unlike other football clubs penalised after seeking administration Crystal Palace FC was placed in administration against its wishes, and notes that Lloyds Banking Group has an important role to play in returning Crystal Palace FC to profitable trading by working on the ownership of Selhurst Park being returned to the club.

The Petitioners therefore request that the House of Commons urges the Government to encourage The Football League to consider whether it should remove or reduce the points penalty meted out to Crystal Palace FC, and as a major shareholder in Lloyds Banking Group that it should ask the senior management of Lloyds Banking Group as to what action it is taking to reunite Selhurst Park with Crystal Palace FC so as to aid Crystal Palace FC in returning to profitable trading.

And the Petitioners remain, etc.

[P000808]

Bus Routes (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon,

Declares that they would support the introduction of a 24 hours a day service on the 64 bus route.

The Petitioners therefore request that the House of Commons urges the Government to encourage Transport for London in this proposal of a 24 hours a day 64 bus route.

And the Petitioners remain, etc.

[P000809]

Public Sector Employment (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon,

Declares that the Croydon economy depends on public sector employment.

The Petitioners therefore request that the House of Commons urges the Government to ensure that public sector positions are not transferred away from Croydon.

And the Petitioners remain, etc.

[P000810]

Incinerator (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon,

Declares that the construction of an incinerator on Beddington Lane, Sutton, would not be in Croydon's interests.

The Petitioners therefore request that the House of Commons urges the Government to take steps to investigate alternative sites for the incinerator or alternative means of disposing of waste in an environmentally friendly manner.

And the Petitioners remain, etc.

[P000811]

GPs (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon,

Declares that having only three GPs on call from midnight to 8am covering 370,000 residents in Croydon is clearly inadequate and forces Croydon residents into more expensive care at A&E thus wasting public money.

The Petitioners therefore call upon the House of Commons to urge the Government to direct Croydon NHS to provide for more GP overnight coverage.

And the Petitioners remain, etc.

[P000812]

Diabetes Services (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of the people of Croydon,

Declares that in Croydon there is good work being done to combat diabetes and that Croydon now needs more screening tests for diabetes; more albumin creative ratio checks and HbA1C tests for those already living with diabetes; and Government support for Croydon's services that combat the diabetic arterial diseases that can lead to amputations; and that with the right support amputations could be cut by 30% through better total care and public health education to allow for earlier intervention to stop amputations.

The Petitioners therefore request that the House of Commons urges the Government to support Croydon's services that combat the diabetic arterial diseases and to encourage health providers to make available more screening tests for diabetes and more albumin creative ratio checks and HbA1C tests for those already living with diabetes.

And the Petitioners remain, etc.

[P000813]

Housing (Croydon)

Mr. Andrew Pelling (Croydon, Central) (Ind): The petition states:

The Petition of New Addington residents,

Declares that much needed family homes are being shoe-horned into unsuitable former garage sites that compromise the visual amenity and environment of old and new residents alike, and that the local Council thus pays disrespect to New Addington.

The Petitioners therefore request that the House of Commons urges the Government to investigate whether value for money is being achieved from the housing grant paid to Croydon Council and to place improved conditions on quality of design and setting for new Council housing in the London Borough of Croydon.

And the Petitioners remain, etc.

[P000814]

Parliamentary Reform

Mr. Andrew Pelling (Croydon, Central) (Ind): I am very happy to take up the invitation of the petitioners in this last petition.

The petition states:

The Petition of the people of Croydon,

Declares that Andrew Pelling has served as an effective Member of Parliament for Croydon Central putting Croydon first and would serve Croydon well again if he were to be persuaded to stand for re-election in the upcoming General Election.

The Petitioners therefore request that the House of Commons uses the powers of the new Business Committee to table further debates on Parliamentary reform to allow discussion on the advantages of independence in the House.

And the Petitioners remain, etc.

[P000815]

Aggregates Levy Sustainability Fund

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Blizzard.)*

12.15 am

John Mann (Bassetlaw) (Lab): It gives me great pleasure to introduce this Adjournment debate on the aggregates levy and the use of that levy in local communities affected by aggregates. The levy was initially the idea of the Prime Minister, the then Chancellor, and was first mooted in the July 1997 Budget. It was confirmed in the 2000 Budget and published in the 2001 Budget, to be introduced in April 2002. At the time, it was a levy on aggregates of £1.60 a tonne.

The aim of the levy was to encourage a move away from aggregates, to maximise the use of alternatives such as recycled construction and demolition waste and china clay waste, and to encourage the more efficient use of aggregates, greater resource efficiency in the construction industry and the development of a range of other alternatives, including the use of waste glass and tyres in aggregate mixes. The levy has raised £334 million in the past financial year and in the Government's view has been a significant factor in reducing sales of virgin aggregates in England by about 18 million tonnes between 2001 and 2005.

The issue that I wish to concentrate on in this debate is the approximately 10 per cent. of the levy that goes to the aggregates levy sustainability fund. The fund was established through negotiation with the industry at the onset of the scheme and its current budget of £35 million is due to be renewed in 2011—I understand that those discussions are under way. The money available under the ALSF is to be used for four objectives. The first is to minimise the demand for primary aggregates extraction. The second is to promote more environmentally friendly aggregates extraction and transport. The third is to address the environmental impacts of past aggregates extraction. The fourth, which is crucial, is to compensate local communities for the impacts of aggregates extraction. I wish to draw that fourth objective to the attention of the House.

This money is distributed in a range of ways, one of which is through local authorities. They allocated £3 million of the total for this final fourth objective. In the county of Nottinghamshire £107,000 is allocated, of which £106,735 was spent last year. However, the issue is how the money is spent. Local authorities, including those in Nottinghamshire, will say that the money is being used to leverage in other money. Indeed, in a written answer that I received the relevant Minister said:

> "It is for local authorities to decide how to spend money provided via ALSF as a non ring fenced area based grant. These monies are spent according to local priorities."—[*Official Report*, 11 March 2010; Vol. 507, c. 412W.]

However, the industry, through the Mineral Products Association, argues, among other things, that

> "the creeping migration and diversion of funds away from the original and core purposes of the fund"

should

> "be arrested and reversed."

It also says that "significantly more funding" should be directed to "benefit local communities" in Nottinghamshire and elsewhere in the country. I back that concept. It seems to me that the fund from the aggregates levy should be aimed specifically and explicitly at benefiting local communities that are directly and immediately impacted by the quarrying of aggregates. The money should be spent with those communities and not diverted to other worthy projects in areas that have a negligible amount of quarrying—or, indeed, none.

I have looked into how the money has been spent in Nottinghamshire over the years, including last year. It has been spent on some very worthy projects, including projects that I have personally assisted in raising money for, but those projects should not be getting the aggregates levy money when communities that are directly affected by quarrying get none of it. I shall cite a few examples. My constituency has the largest amount of quarrying in Nottinghamshire and one of the largest amounts of quarrying for aggregates anywhere in the country. Villages such as Scrooby and Sturton le Steeple are getting nothing, or next to nothing, from the fund.

Sturton le Steeple has a power station—indeed, two power stations, in essence—at West Burton, as well as a huge quarry, and there are vast amounts of lorry movements from both of those enterprises, not least from quarrying. The village recognises that there is and will always be a need for aggregates, and it welcomes the fact that good quarrying companies will do the job well, particularly if they are prepared to negotiate and abide by agreements regarding traffic and the movement of material by barge, rail or road. Of course, villagers want there to be maximum use of barge and rail in moving extractions of that nature. They will live with the quarry, but it is fair to expect for them more than the measly amounts that have been given to Sturton le Steeple and the nothing that has been given to Scrooby.

However, there is a worse example, which for the nation exemplifies the problem of such moneys being diverted by county councils to worthy causes for good reason, but not a good enough reason. Misson is the place in Nottinghamshire for quarrying. Everyone in Nottinghamshire who looks into this issue knows that has been the case for previous and current quarrying, and it will doubtless be the case for future quarrying. The Minister knows the village, because he has kindly provided assistance to villagers in dealing with the separate issue of the mushroom composting factory that has been blighting their lives for many years. The village would like to thank the Minister for instigating the current health review on that matter.

The village of Misson has received nothing from the fund, despite having many community projects for which it would like funding. Many villagers would like children's playground facilities to be enhanced and to have new footpaths where footpaths do not exist. Other worthy projects will come forward, but it should be for the local community to decide on priorities. Those people are being denied access to the fund. My plea to the Minister, and through him to his Department and the Government, is to heed the requests of the industry, which are echoed by my communities that are directly affected and are also echoed by me.

Our request is that the original purpose be explicitly implemented when the fund is renewed—that is, that the money should go to those villages and communities that are directly impacted. It should no longer be possible for county councils or others to divert money, for whatever worthy reason, to other projects rather than to communities that have quarrying.

It seems to me that the deal that applies to the industry and the Government should also apply to those communities. I request that, in the negotiations, the Minister change the terms and conditions behind the fund to ensure that those affected by quarrying get the benefits from the levy in the way that the Prime Minister originally intended.

12.25 am

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dan Norris): I congratulate my hon. Friend the Member for Bassetlaw (John Mann) on securing this debate on an area of my Department's work that is not widely known but in which I genuinely think we might take some pride.

I had the great pleasure only a couple of weeks ago to open a conference adjacent to the Olympic site in Stratford to showcase the work of the aggregates levy sustainability fund. I do not think that anyone who was present on the day could fail to be impressed by the sheer diversity of the projects that have been funded. However, it cannot fund everything, and sometimes there are tough choices to be made by our delivery partners about how to use the funds allocated to them to pursue the broad themes that we have agreed for the fund.

When the ALSF was introduced in April 2002, its overarching purpose was to complement the objectives of the levy that applies to the extraction of aggregates in this country, and to deliver environmental and social benefits to areas subject to the environmental costs of aggregates extraction. Since its introduction, the fund has been administered by the Department for Environment, Food and Rural Affairs and delivered through a total of 28 delivery partners. Over the eight years since its inception, the fund has helped around 3,000 projects which have shared more than £169 million.

A full public consultation was undertaken on how best to target funding for the current 2008 to 2011 spending review period. Based on those responses, we decided that the most effective way to achieve the fund's aim

"to reduce the environmental footprint of aggregates production and deliver benefits in areas of extraction"

was to organise work around five themes, and I should like to say something about them now.

The first theme is the quarries theme. This includes Carbon Trust work with quarrying companies to reduce carbon emissions; Natural England work to enhance landscape and biodiversity around quarries; and English Heritage work to manage archaeology and other historic assets around quarries. It also involves working with the Mineral Industry Research Organisation to improve capacity for managing the environment in the longer term.

The second theme is the marine theme. This involves increasing capacity for managing marine dredging and has included mapping most of the major extraction areas so that we have a better understanding of the environmental assets that need protecting. The third theme is resource use. This is work that the Waste and Resources Action Programme—often referred to as WRAP—and the Environment Agency do to ensure increased recycling of construction and demolition waste, and the sustainable use of materials to reduce the need for extraction in the first place.

The fourth theme is transport. This comprises work that the Department for Transport does to train lorry drivers to drive in a more safe and fuel-efficient way, and to increase capacity to transport aggregates by rail and water rather than road. Another element is the work that British Waterways has done to enable transport of aggregates by the waterways around east London.

Finally, there is the communities theme. This is work done by Action for Communities in Rural England and local authorities to fund projects in communities affected by extraction. Work ranges from improvements to community buildings to access to local services, and from the provision of play facilities to landscape improvements. To give an example from Nottinghamshire, a listed windmill at North Leverton that has been in operation for 200 years was in disrepair and under threat. An ALSF grant provided £16,000 towards work costing £32,000 that was needed to enable the repair and refurbishment of the windmill. The work allowed the mill to keep grinding, and to remain open to the public and for school visits. The fund's delivery partners develop the detailed criteria to determine, in a transparent way, how they select specific projects. In the case of local authorities, a share of the fund is distributed in the form of what is called an area based grant, through the local area agreement, to be spent according to locally set priorities.

My hon. Friend is supporting a request from Misson parish council for some 2 km of new roadside footpath to be provided between the villages of Misson and Newington. However, through correspondence with Misson, Nottinghamshire county council has explained that the proposal does not fit with the criteria that it applies—criteria agreed with DEFRA—in using the funds that it disburses. The proposal would take a disproportionate amount of the funding available to the council and create a longer-term maintenance bill that has no obvious funder.

Many key stakeholders have an interest in the ALSF. They range from the aggregates industry itself—which is understandably interested in getting some credit, given the contribution it makes to general taxation via the levy—to the waste management and processing sector, which is involved under the resource use theme by helping to reduce the need for virgin aggregates, and a vast range of non-governmental organisations, including national and local nature conservation bodies, and local archaeological and geological bodies.

The Campaign for National Parks, Friends of the Peak District, the Royal Society for the Protection of Birds and the Wildlife Trusts have all benefited—significantly in the case of the RSPB and the Wildlife Trusts—from ALSF project funding, and were therefore active contributors to the fund's outputs.

The dedication and engagement of all those bodies, and indeed many others, in working with us on those issues is clearly apparent, and I applaud the work that they have done. The fund contributes in a small but very effective and important way to the objectives of a number of Departments and their agencies.

John Mann: Is that not exactly the problem? The issue is not about Government priorities or local government priorities. Was the levy, or was it not, set up in its community aspect to benefit those communities impacted upon by extraction? The Minister has given examples.

[John Mann]

North Leverton is a wonderful project. Is there a quarry near North Leverton? Misson was refused. Is there a quarry near Misson?

Dan Norris: I thank my hon. Friend for his intervention. DEFRA is acutely aware that some stakeholders and communities are concerned about how money from the fund is allocated. That is certainly true, but it did not emerge as a major concern in the 2008 consultation, when we consulted widely on the future design of the scheme.

Most responses gave strong support for the way the fund currently operates, although I accept that things may have changed and that that may not be correct now. Budgets for the coming financial year have already been committed to local authorities and to ACRE. Future spending plans beyond that are uncertain, but I can say to my hon. Friend that, should the Department be in a position to continue the fund beyond 2010-11, I have asked my officials to consider the option of targeting the communities element so that moneys for local communities reach those most affected by aggregates extraction. I hope he finds some comfort in those words.

Once again, I congratulate my hon. Friend on securing the debate and on his usual hard work on behalf of his constituents. I hope that I have clarified the Government's position for him.

Question put and agreed to.

12.33 am

House adjourned.

House of Commons

Tuesday 6 April 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Afghanistan

1. **Andrew Selous** (South-West Bedfordshire) (Con): What assessment he has made of developments in Afghanistan since the London conference of January 2010. [325349]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): Since the London conference, the Government of Afghanistan have made progress on some of their commitments, including the Afghan Cabinet's decision to approve the sub-national governance strategy and President Karzai's recent decree boosting the high office of oversight's powers to tackle and investigate corruption. In other areas, progress is slow—too slow. We continue to work with the Afghan authorities to encourage similar progress to be made in those other areas.

Andrew Selous: One area of our policy in Afghanistan—where, tragically, another British soldier lost his life at the weekend—on which I believe the Government have failed very badly is explaining to the public why we are there. Does the Foreign Secretary believe that that is the case and, if so, what is he going to do about it?

David Miliband: Every death of a British soldier in Afghanistan is a tragic event, and I think that the hon. Gentleman's attempt to link this to a particular Government decision is unwise and not worthy of him. There is unity across the House that the border lands of Afghanistan and Pakistan are the gravest terrorist threat to this country and that stability in Afghanistan is absolutely essential not only to countering the threat that al-Qaeda might re-establish itself there, but to achieving stability in Pakistan. That is the fundamental reason why we are there, and it is why all three major political parties support our presence there. We all know, however, that there will not be a military solution in Afghanistan—the combined military and civilian effort will create the conditions for a political settlement, which is, after all, the only way to provide stability in that country.

Mrs. Ann Cryer (Keighley) (Lab): What assessment has my right hon. Friend made of developments in Afghanistan regarding the well-being of women and their health, education and ability to work for their families?

David Miliband: I am sorry that this will be the last occasion on which my hon. Friend asks a question in this House; she has raised a very important point. On education, one can point to a qualitative shift. There are now, after all, about 6 million to 7 million children in school in Afghanistan, nearly half of them girls, which is a complete revolution in comparison with a decade ago. In other areas, however, as we heard from the civil society representatives at the London conference, progress has been much slower, including in areas such as political representation and health care, which my hon. Friend mentioned.

Mr. William Hague (Richmond, Yorks) (Con): Amid all the debates that we will have in the coming election campaign, should we not all remember that throughout every hour of it we have 10,000 British servicemen and women in real battles in Afghanistan and that their role must be a paramount concern for whoever is elected on 6 May? Is it not true that the military advances made on the ground will be of long-term benefit only if the Afghan political processes also succeed and are seen to be legitimate? When the Prime Minister announced UK strategy for Afghanistan in November last year, he pledged that President Karzai would ensure that all 400 Afghan provinces and districts had a governor free from corruption and appointed on merit within nine months—by August this year. Is the Foreign Secretary confident that such benchmarks will still be met?

David Miliband: Perhaps you will allow me, Mr. Speaker, to say that I thought it completely appropriate for the Prime Minister when he spoke in Downing street this morning—and for the Leader of the Opposition when he made his response and for the leader of the Liberal Democrats, who I think took time out from the hurly-burly and political battles that the right hon. Member for Richmond, Yorks (Mr. Hague) mentioned—to say that this election campaign provides a chance not to forget what is going on in Afghanistan, but to discuss with and engage the British people on that issue. That is something that I—and, I hope, other right hon. and hon. Members—will be keen to do, because this is the time to engage the British people on the sacrifice being made and the purposes behind it.

As to President Karzai's commitment, I believe that it was in his inaugural speech in the third week of November when he made the commitment to the transfer of security leadership and to extend governance issues in respect of corruption. The Prime Minister's commitment remains. Early signs, over the three or four months since the announcement, have been positive and a number of provinces have had replacement governors who are, I think, an improvement on their predecessors.

Mr. Hague: In light of all that, should we not all accept how alarming it is to those who support the efforts of British forces in Afghanistan to read so many reports in recent days of apparent division between President Karzai and western nations? Given that steps to reduce corruption and to improve local government are vital for the counter-insurgency effort, is the Foreign Secretary absolutely confident that relations between this country and the US on the one hand and President Karzai on the other hand are as they should be, and that there is a clear enough mutual understanding of the approach needed to handle the situation in Kandahar, to conduct the elections well in September and to make

progress on the integration and reconciliation process? Is he happy that all that is as it should be? Is not agreement on such things indispensable to our success in Afghanistan?

David Miliband: Agreement on such things is, indeed, indispensible, but verbal agreement is, of course, only one step in the process. I am absolutely confident that since the London conference there has been renewed unity not only between Britain and the United States but across the international coalition about the military and civilian strategy that is needed and the political settlement that can be generated. In respect of the Afghan Government, as I said in Kabul in November, words must be turned into deeds. That is the case both now and in the run-up to the Kabul conference, which is the moment when the international effort generated in London and the Afghan effort mobilised locally by a new Government—whose Cabinet has not yet been fully appointed, which points to some of the problems that exist—will need to be joined. That will be a very important moment to judge progress and how much confidence we should have. It would be unwise at this stage to say anything other than that we must continue to press very strongly on the agenda that President Karzai set out in November and that we have committed to—and we want to see it matched.

Finally, if you will allow me, Mr. Speaker—I apologise for talking at such length, but the Afghan issue is so important—the right hon. Gentleman has referred to comments made at the weekend. It is very important that we say very clearly that any suggestion that Britain, or any other country, has irregularly interfered in the election processes of Afghanistan is completely without foundation. Our troops were there guaranteeing the safety of people seeking to go and vote. I am sure that it is a unified position across this House to have absolutely no truck with such malign suggestions, especially about our troops, but actually about our whole country.

Sir Menzies Campbell (North-East Fife) (LD): I associate myself and my hon. and right hon. Friends with the Secretary of State's observations about Afghanistan and the debt that we owe to those who serve there, but, in his usual restrained way, he has not, I think, given the House a full and proper account of the Government's response to these extraordinary and bizarre allegations of external interference in the presidential elections. What representations has Her Majesty's Government made to President Karzai about these allegations, and if he is to be the centrepiece of political development, how can we have confidence when he makes such remarks?

David Miliband: I pleaded with Mr. Speaker to allow me to get in an extra sentence or two in order to address that, and I am sorry if that did not provide the comprehensive answer that the right hon. and learned Gentleman wanted. The Prime Minister spoke to President Karzai on Sunday, when he made absolutely clear our position in respect of these allegations. President Karzai did not repeat the allegations; in fact, he committed himself to working with the United Kingdom, but as I said in respect of an earlier question, it is important to turn those assurances into deeds. President Karzai is the elected leader of Afghanistan—he is the choice of the Afghan people. He certainly got more votes than any other candidate in the election, and it is by virtue of that election that he is our partner in securing our interests in that country.

European Security and Defence Assembly

2. **Mr. Christopher Chope** (Christchurch) (Con): What his policy is on the future of the European Security and Defence Assembly. [325350]

The Minister for Europe (Chris Bryant): Following the lead we in the UK gave last week, as laid out in my written ministerial statement, all 10 member states have agreed to close the Western European Union. We believe that future arrangements for inter-parliamentary dialogue should reflect the intergovernmental nature of European security and defence policy, should involve all EU and non-EU European allies and should be cost-effective for the British taxpayer.

Mr. Chope: I thank the Minister for that response, but is he not closing down one organisation without clearly setting out the arrangements that he wishes to put in place for the proper scrutiny of international defence issues?

Chris Bryant: That was not a unilateral decision, although the hon. Gentleman is absolutely right that Britain took the lead. Many countries said that they wanted further action and that the architecture for examining common security and defence policy in Europe was no longer sufficient, but they did not want to do anything about it. We took the courageous step of saying that we wanted to withdraw. We now have a year during which we can negotiate precisely what the future structure should look like. I pay tribute to the hon. Gentleman and others who have sat on the Assembly, but it was costing us some €2.3 million a year, and we believe that that money could be better spent elsewhere.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Whether it is the WEU or the Council of Europe, is the Minister satisfied that we increasingly only have structures that serve those countries which are member states of the EU and that therefore marginalise those countries which are not? I think that that will do us long-term damage.

Chris Bryant: The complexity of the WEU was that it had so many different categories of membership. There were the 10 core member countries, but all 27 members of the EU were allied, and then there were other countries, such as NATO allies, who took on observer status. That is why we believe that now is the right time to put together a more appropriate structure, so that the Parliaments around Europe, including our allies such as Turkey—one of the countries which my hon. Friend may have been alluding to—can closely scrutinise the common foreign, defence and security policy that has developed across the whole of Europe.

Mr. Mark Francois (Rayleigh) (Con): The Minister pointed out in his written statement of 30 March that the EU's common security and defence policy remains intergovernmental and is thus a matter for national Parliaments. How does he see these arrangements operating in future, and how will he accommodate NATO allies such as Turkey and Norway, which are associate members of the current Assembly but which are not in the EU? How is this actually going to work?

Chris Bryant: One of the most important things is that we ensure that we have a cost-effective structure. The costs that have been incurred by the WEU Assembly alone for the United Kingdom over the past few years have been phenomenal. We believe, as does every other country among the 10 core members, that it is right to wind up that organisation. We do not believe it would be right—I can probably garner the hon. Gentleman's support for this, at least—for the European Parliament to take on responsibility for considering this matter. We believe that it is clearly laid down in the Lisbon treaty that that should not be a responsibility for the European Parliament. I look forward to debating some of those issues with him over the next few weeks, since he has already turned down five debates with me on Europe since the beginning of the year.

Middle East Peace Process

3. **Richard Burden** (Birmingham, Northfield) (Lab): What his most recent assessment is of progress in the middle east peace process; and if he will make a statement. [325351]

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): We welcome the Quartet's determination to move swiftly to proximity talks addressing issues of substance. We continue to press both sides to show the courage, commitment and compromise needed to make real progress. The UK remains determined to do everything possible to achieve comprehensive peace in the middle east.

Richard Burden: You will know, Mr. Speaker, that although all hon. Members in this place spend most of their time taking up issues at home, issues that arise abroad affect us all. Does my hon. Friend share my concern at the escalating violence in Gaza, and will the UK Government make it clear to the Israeli authorities that we will oppose any repeat of Operation Cast Lead and that no UK arms or equipment should be used in any such operation?

Mr. Lewis: My hon. Friend is right to draw attention to our concerns about the escalation of violence over the weekend. We want to see an immediate end to all violence in Gaza. The rocket attacks from Gaza into Israel must stop, and we also urge restraint from the Israelis. More fundamentally, we want to see Israel remove all obstacles to humanitarian assistance getting into Gaza, and we want to see the release of Gilad Shalit. Both steps would be important confidence building measures in support of the peace process.

Mr. Paul Keetch (Hereford) (LD): Will the Minister give his most recent assessment of progress in the middle east peace process in relation to the former Prime Minister, Mr. Tony Blair? Will he give us one concrete thing that Mr. Blair has achieved?

Mr. Lewis: I was going to congratulate the hon. Gentleman on his contribution to this House over a number of years—I still do—but I can give more than one example. One of the most important sources of progress in the middle east in recent times has been the improvement in economic development and enhanced security in the west bank. The former Prime Minister has played a crucial role in making that progress possible alongside President Abbas and Prime Minister Fayyad.

Mr. Keetch: Will the Minister tell us how many Foreign Office resources have gone into supporting Mr. Blair's role? How many diplomats and how many security people have been involved? Should not that money have been diverted to the Foreign Office team on the ground? Is not that the best way for British foreign policy money to be spent?

Mr. Lewis: The hon. Gentleman should be aware that the former Prime Minister was appointed by the Quartet. He is the Quartet's representative in the region, and an appropriate level of resource is deployed by the United Kingdom to support his efforts in that role. I must say to the hon. Gentleman that it is disingenuous to ask questions to which he has already received the answers in writing.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): What role is Iran, with its opposition to Israel's very existence, playing in Gaza in escalating violence and supporting Hamas?

Mr. Lewis: My hon. Friend is right to raise concerns about the interference of Iran in Gaza and elsewhere in the middle east. There is no doubt that Iran poses a threat not only because of the development of its nuclear weapons but because of its continued support for a variety of terrorist organisations in the middle east that destabilise sovereign states. We need to be clear. If there is to be stability and progress, it is important that we take the role and threat of Iran seriously.

Mr. David Lidington (Aylesbury) (Con): First, I agree with both the hon. Member for Birmingham, Northfield (Richard Burden) and the Minister about the priority that needs to be given to trying find a peaceful way forward in Gaza at the moment. Does the Minister agree that it would help us in trying to persuade the Israeli authorities to reopen the border crossings if they could be given the assurance that effective measures are in place to stop the smuggling of arms and explosives into the Gaza strip? In that context, can he say why, more than 12 months after our Prime Minister said that he was looking for ways to use British naval resources to stop such smuggling, no action seems to have been taken?

Mr. Lewis: UN resolution 1860 makes the importance of stopping smuggling very clear, which is the point that the hon. Gentleman has raised. Surely he is aware of the significant development in relation to Egypt creating a security strategy, which means that there is a serious reduction in the capacity of those who seek to smuggle those weapons, goods and services. As he is aware, that is vital not only for security, but because Hamas collects taxes and benefits from the smuggling of goods and services.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Has the Minister seen the article in the 29 March edition of *The New Yorker* by its editor, David Remnick, who is a staunch supporter of the state of Israel? Mr. Remnick writes:

"Without the creation of a viable contiguous Palestinian state...it is impossible to imagine a Jewish and democratic future for Israel."

When are the Israeli Government going to be persuaded not only that the oppression of Palestinians is wrong in itself, but that it jeopardises the future of the Jewish state?

Mr. Lewis: The article to which my right hon. Friend refers is entirely consistent with statements that have recently been made by President Peres of Israel. It is very clear to us that there is urgency in terms of progress in the peace process, which relates to the creation of a viable Palestinian state alongside an Israel that is free from the threat of terrorist attack, the final status issues being dealt with as quickly as possible, borders being consistent with 1967, the status of Jerusalem, refugees and the offer from the Arab League to normalise its relations with Israel. The only recent glimmer of hope has been the Arab League summit at which Arab League leaders expressed their support once again for proximity talks and reiterated their offer, in return for two states, to normalise relations with the state of Israel.

Turks and Caicos Islands

4. **Mr. Eric Illsley** (Barnsley, Central) (Lab): What steps his Department is taking to improve the governance of the Turks and Caicos Islands. [325352]

The Minister for Europe (Chris Bryant): The finances and governance of the Turks and Caicos Islands were in a sorry state when we were forced to suspend constitutional Government. We are now working through the Governor on stabilising the public finances, on immigration issues and on issues relating to Crown land. The special investigation and prosecution team is in place and working.

Mr. Illsley: The Foreign Affairs Committee has recently been made aware of serious concerns about the special investigation team's current investigation in the Turks and Caicos Islands, namely about the lack of adequate resources to fund the investigation and about the timetable that will lead to the ending of direct rule from the UK as early as 2011, which might not allow for a complete investigation. Will he address those issues?

Chris Bryant: My hon. Friend is absolutely right. We need to make sure that a full investigation is conducted. That is why I am working very closely with colleagues in the Department for International Development to see whether there is a means of ensuring that the investigation team has the moneys to find out the truth, which is sorely needed in TCI. In that case, the moneys would be returned once assets were sequestered as a result of criminal investigations. We need to return as fast as possible to elections in TCI, because otherwise people will think that this is a return to colonial rule.

Afghanistan

5. **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): What recent assessment he has made of the effectiveness of the coalition in achieving the UK's foreign policy objectives in Afghanistan. [325353]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): We regularly assess the progress that we are making in Afghanistan to secure our goal of an Afghanistan that can no longer be a haven for international terrorism. Key indicators include the development of the Afghan national security forces, the delivery of public services and the development of the economy. The London conference reiterated the unity and coherence in the international effort, aligning this behind a clear Afghan plan.

Linda Gilroy: I thank my right hon. Friend for that response. Pakistan is very important to the effectiveness of the coalition in these matters. Will he tell the House what ongoing discussions there are with the Pakistan Government to encourage them in what they have been doing to bring security to the border with Afghanistan, so that there is no hiding place for terrorists and insurgents there?

David Miliband: My hon. Friend makes a very important point. For the first time, we have complementary pressure on both sides of the Durand line. It is also significant that, for the first time since 1947, there are more Pakistani troops on the Afghan border than on the Indian border. That is a very significant development: Pakistan has taken severe losses, but it has moved its deployments. The meetings held the week before last between the Pakistani Foreign Minister and the leaders of the armed services in Washington were absolutely critical, as they renewed and reformed the US-Pakistan relationship, which is critical to Pakistan's role in helping to achieve stability in Afghanistan.

Angus Robertson (Moray) (SNP): I associate the Scottish National party and Plaid Cymru with comments already made in support of service personnel on operations. The Pentagon's top commander, Admiral Mike Mullen, has said that corruption in the Karzai Government could ruin the coalition strategy in Afghanistan, so does the Secretary of State understand why a growing number of people in the UK are asking why our young men and women are dying every day in support of a Government largely built on graft, cronyism and electoral fraud?

David Miliband: I am glad of the hon. Gentleman's commitment to support the troops who are there, which I know is genuine and real. However, by saying what he has, he is recognising that they are there to ensure our own security. The Afghan Government are a partner in achieving that.

The hon. Gentleman is absolutely right that corruption is a cancer at the heart of any society. A society trying to fight a counter-insurgency is doubly cancerous: that is why the London conference placed such emphasis on it, and why we must hold President Karzai to his commitment in his inaugural speech to clamp down on what he called the "culture of impunity" in respect of corruption.

Zimbabwe

6. **Mr. Ian Taylor** (Esher and Walton) (Con): What recent assessment he has made of progress towards political reform by the Government of Zimbabwe. [325354]

9. **Mr. Adam Holloway** (Gravesham) (Con): What recent assessment he has made of progress towards political reform by the Government of Zimbabwe. [325357]

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): Hardliners in Zimbabwe continue to obstruct political reform. Effective implementation of the media, electoral and human rights commissions agreed by the parties to the global political agreement in December is absolutely essential.

Mr. Taylor: Has the Minister noticed the case of Owen Maseko, the artist who has been imprisoned and harassed because of his depiction of the terrible carnage that went on in the 1980s under President Mugabe? Is this a sign that the problems in Zimbabwe are continuing, and that a political settlement is still very far from certain?

Mr. Lewis: I am sure that hon. Members in all parts of the House want to pay tribute to the hon. Gentleman for his many years of outstanding service to this House on a variety of very important issues. On the substantive issue that he has raised, the continued flagrant abuse of human rights in Zimbabwe of course remains a concern, as does the lack of political progress on reform. We very much welcome President Zuma's renewed leadership on behalf of the Southern African Development Community, which we think is very important. We hope to have a report back from the recent visit to Zimbabwe within days, so that we can be clear about the implementation of reforms going forward.

Mr. Holloway: The Minister has spoken about President Zuma's package of measures to facilitate some sort of agreement. What chance does he give those measures?

Mr. Lewis: I am not a betting man, other than on the outcome of the forthcoming election. The serious point is that hon. Members in all parts of the House have called for South Africa to play a responsible leadership role for a long time. We all know that it is in the best place to influence real change in Zimbabwe. We believe that President Zuma's efforts are new and potentially radical, so this is a source of optimism and hope, to use a current phrase.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): Will the Minister bring me up to speed on the extent to which the Financial Services Authority or his own Department have managed to determine the location of Mr. Mugabe's laundered money?

Mr. Lewis: The EU agreed in February to extend its targeted measures, which include an arms embargo, asset freezing and travel bans. Those measures are now affecting 31 companies and 198 people. On the specific point that my hon. Friend raises, I shall get back to him in due course.

Andrew Miller (Ellesmere Port and Neston) (Lab): At the founding of Zimbabwe, the UK put significant resource into helping the development of infrastructure—education systems and the training of people—through a wide range of organisations, including the TUC. A lot of the beneficiaries of those programmes have, of course, become the targets of Mugabe. Will the Minister work with his friends in South Africa to help to restore some of those links and get education programmes in which we can play a role back on the table?

Mr. Lewis: My hon. Friend is absolutely right to raise that co-operation and collaboration, which achieved so many positive results. The UK is currently the second-largest bilateral donor to Zimbabwe, providing £60 million in aid, which is spent primarily on health but also on education. We remain deeply concerned by the intimidation, arbitrary violence, repressive legislation and curbs on press freedom that violate the rights of the Zimbabwean people. That is why political reform is so important.

Iraq

8. **Meg Munn** (Sheffield, Heeley) (Lab/Co-op): What assessment he has made of the implications of the outcome of the recent elections in Iraq for UK policy in the region. [325356]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The 7 March election was evidence of Iraq's progress towards full democracy, a particularly important development in the middle east. It is important that the result is respected by Iraq's political leaders.

It is also the case that Iraq's neighbours have a key role in supporting Iraq's democratic future. A democratic Iraq can play an increasing part in maintaining a stable and secure middle east.

Meg Munn: I thank my right hon. Friend for his answer and welcome the progress being made. In terms of further progress for Iraq, does he agree that contact with businesses is enormously important? Will he continue to do all that he can to improve the situation, particularly in relation to visas—the current arrangements mean that Iraqi business people are more likely to go to Europe than the UK?

David Miliband: My hon. Friend speaks with a good deal of expertise in these matters. She is absolutely right: as we have drawn down our military contribution in Iraq, there is growing importance for our economic, political, cultural and educational engagement with Iraq. That was the purpose of the Iraq investment conference in April 2009, and we are absolutely determined to make sure that British companies get the full benefit of a growing and more stable Iraq.

Mr. Crispin Blunt (Reigate) (Con): In the parliamentary elections five years ago, the then Prime Minister sent people out from the policy unit here to assist then Prime Minister Allawi with his election campaign, which actually looked like fairly discreditable interference in the affairs of Iraq. Can the Foreign Secretary confirm that Mr. Allawi succeeded this time without the assistance of anyone from the United Kingdom?

David Miliband: Certainly. I have no information to suggest that there was any support from the United Kingdom in that respect. Of course, as the hon. Gentleman knows, on that occasion the result did not work out in favour of the Government in the Iraqi election.

Ann Clwyd (Cynon Valley) (Lab): I hope we continue to assist Iraq by all means possible, particularly in rebuilding the rule of law. I want to place on record an e-mail that I received a few days ago from the very brave judge who sentenced Saddam Hussein to death:

"I am...former chief investigative judge in the Iraqi High Tribunal...I am writing today after a long time to say thank you very much for your help"

which means this country's help—

"to restore the Iraqi justice and rule of law. Without your support we could not have done what we did."

David Miliband: Although my right hon. Friend is not retiring, I think the whole House owes her a huge debt of gratitude for the way in which she has conducted her work as the Prime Minister's special representative on human rights in Iraq. She has stood up for the rights of people in Iraq in a remarkable way, and although there was deep division in the House on the Iraq war, I hope that there is unity around the commitments that she has reported and made in respect of human rights, an independent press and a free and independent judiciary.

Argentina

10. **Dr. Julian Lewis** (New Forest, East) (Con): What recent assessment he has made of the state of relations between the UK and Argentina. [325358]

11. **James Brokenshire** (Hornchurch) (Con): What recent assessment he has made of the state of relations between the UK and Argentina. [325359]

The Minister for Europe (Chris Bryant): We have a very close and productive relationship with Argentina on a range of issues, including in the G20, on climate change, sustainable development and counter-proliferation. We have absolutely no doubts whatever about our sovereignty over the Falkland Islands, nor over the islanders' right to develop a hydrocarbon industry within Falkland waters.

Dr. Lewis: Is the Minister satisfied that there remains enough defence capability in the Royal Navy to deter Argentina from any mistaken reversal of position, going back to military adventurism, given that we now have almost as few destroyers in the Royal Navy as there are Liberal Democrat Members attending this session of Foreign Affairs questions?

Chris Bryant: I am not in charge of Liberal Democrat attendance, although it is sometimes better to have fewer rather than more.

We are confident that we have what we need to be able to maintain the security of the islands, but it is important to bear in mind that the Argentines have made it very clear, even in some of the noises off that they have been making, that they are not talking about blockading the Falklands, and they are not talking about returning to the 1980s. That should be a reassurance to us all, although of course we should never be complacent.

James Brokenshire: The Minister will be aware that the Argentine Government have introduced new permit rules for ships travelling to and from the Falkland Islands. What impact is that having on the islands, and what steps is he taking to have those permit rules lifted?

Chris Bryant: Obviously, it is for the Argentines to make whatever declarations they want to make, but they have not made it clear what will follow on from the laws that they passed a few weeks ago. So far, as I was telling the hon. Member for New Forest, East (Dr. Lewis), there has been no blockade of the islands; there has been no impact on the islands, and I very much hope that that remains the same. Frankly, no matter how much argy-bargy there is, we will always return to the principle of self-determination for the Falkland Islanders.

Mr. Lindsay Hoyle (Chorley) (Lab): It is all right for the Minister to say that it is not having an impact, but there is an impact: there are threats against companies that do business in the Falklands and that want to do business there in the future. Has not the time come for the Minister or the Secretary of State to visit the Falkland Islands to show their solidarity to the people who live there?

Chris Bryant: I am grateful to my hon. Friend; I think that he is now the second person who has offered to send me off to the Falkland Islands during the general election campaign, but I am not sure whether he is recommending that that should happen before I submit my nomination papers.

The serious point is that I had conversations with the Argentine Foreign Secretary during the inauguration of the new President of Chile in Santiago a couple of weeks ago, and it is very clear from those conversations that the Argentines have no intention of blockading the Falklands. They do not want to talk about war. They do not want—and it would be inappropriate for any of us—to raise the temperature of the conversation that we are having. In my conversations with people from the Falklands, I have made it clear that, if they want a Minister, they can have one as soon as they want them to visit.

Dr. William McCrea (South Antrim) (DUP): Will the Minister be very clear in saying that he will vigorously defend the rights of the Falkland Islanders to remain within the United Kingdom family and that they will not be used as a trade-off for oil exploration?

Chris Bryant: I do not know whether I can make it any clearer than I already have: we are absolutely certain about our sovereignty. We rest our case firmly on the United Nations principles, which state that the self-determination of the people on the islands is vital. We believe that we have stronger cards now, because the European treaties also happen to make it clear that the Falklands remain an overseas territory, as part of the United Kingdom. We are not complacent about this, but we are very determined.

Burma

12. **Mr. Jim Cunningham** (Coventry, South) (Lab): What his most recent assessment is of progress towards democratic reform in Burma. [325360]

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): Forthcoming elections in Burma will be neither free nor fair. Election laws published in March are restrictive and unfair.

Mr. Cunningham: What discussions has my hon. Friend had with our international partners regarding the release of political prisoners in Burma? In particular, what role has China been playing?

Mr. Lewis: My hon. Friend has a long track record of raising issues to do with Burma. It is important that the House continues to shine a light on events in Burma. As our Prime Minister said recently, the new election laws

are totally unacceptable. The targeting of Aung San Suu Kyi and the National League for Democracy is particularly vindictive and callous. As a consequence of those new laws, the NLD has now said quite rightly that it is unable to participate in elections that will be illegitimate. Of course, we work with our international partners, especially those countries that have the biggest capacity to influence the situation in that country, and we continue to raise Burma with the Chinese.

Mr. Keith Simpson (Mid-Norfolk) (Con): The UN special rapporteur on human rights in Burma has made the unusually strong recommendation that the UN should consider establishing a commission of inquiry into war crimes and crimes against humanity committed by the Burmese regime. Last month, the UK ambassador to the UN said that Britain would support the establishment of a commission of inquiry. What steps are the Government taking to build an international coalition to take that forward, particularly by working with countries such as Australia that have already expressed strong support?

Mr. Lewis: First, we are pursuing an arms embargo against the regime in Burma with our international partners. We want the UN to take action as soon as possible on that initiative of our Prime Minister.

We support a commission of inquiry in principle, but it is important that we do not propose a vote at the UN on such an issue when we do not have sufficient international support for it to be successful. If that were to happen, it would give false comfort to the regime, so a lot of work must be done to build sufficient consensus to ensure that there is maximum international support for establishing such an inquiry.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend realise just how much frustration is felt by those of us on both sides of the House who have campaigned on Burma for many years when we see so little progress? In his response to my hon. Friend the Member for Coventry, South (Mr. Cunningham), he did not say when we will ask China to face up to its responsibilities in the region and the country.

Mr. Lewis: Mr. Speaker, this is an opportunity to pay tribute to your personal role in ensuring that the issue of Burma continues to be a high priority for parliamentarians inside and outside the House.

My hon. Friend the Member for Huddersfield (Mr. Sheerman) will be aware that my right hon. Friend the Foreign Secretary recently visited China, and this was one of the issues on his agenda. We make it clear in our bilateral and multilateral discussions, including with ASEAN and China, that everything possible must be done to put pressure on the regime so that it understands that until it is committed to democratic reform and free and fair elections, its isolation in the world will inevitably continue.

EU Budget (Reform)

13. **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): What recent discussions he has had on prospects for reform of the EU budget; and if he will make a statement. [325361]

The Minister for Europe (Chris Bryant): Reform of the EU budget was last discussed at the December European Council. Heads of Government agreed that the Commission should produce a report in order for the Council to provide orientations on priorities during 2010. Her Majesty's Government remain committed to far-reaching reform of the EU budget.

Mr. Vara: I am grateful to the Minister for those comments. In 2005, however, the Government gave away £7 billion of money that was due to us from the European Union rebate in return for a complete review of the EU budget, which was supposed to have finished by the end of 2009 but clearly has not happened so far. By breaking their promise, and effectively giving away £7 billion of British taxpayers' money for nothing, have we not seen how useless the Government are at standing up for Britain's interests?

Chris Bryant: I really like the hon. Gentleman, but he sometimes speaks the biggest load of tosh when he absorbs everything that is poured out by his Front Benchers. The truth of the matter is that he, like many hon. Members, voted for enlargement of the European Union. We believed that it would be in the interests of this country to bring 10 new countries, and then a further two, into the European Union because we would be able to improve trade with them and they would be able to improve their human rights. However, we cannot wish something and not will the means, and if those new countries were to join the European Union, someone would have to pay that bill—we were prepared to step up to the mark. It is a shame that the hon. Gentleman's party has become so Europhobic that it dare not even look at the facts.

Keith Vaz (Leicester, East) (Lab): Will the Minister reassure the House that, in any discussions on the reform of the budget, we will not lose sight of the goals that were set by the Lisbon agenda at the European Council in 2000?

Chris Bryant: My right hon. Friend is absolutely right that we need to ensure that Europe is competitive, and able to compete for new jobs and to be part of future economic models, rather than relying on its historical system of budgetary expenditure. That is why we have supported reform of the common agricultural policy for a long time, and I personally believe it is morally offensive that Europe should overpay so that other parts of the world are not able even to compete on a fair basis.

Overseas Operations (Financing)

15. **Mr. Tim Boswell** (Daventry) (Con): What recent assessment he has made of the financing of his Department's overseas operations; and if he will make a statement. [325364]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I refer the hon. Gentleman to my written statement of 10 February, in which I made it clear that I have agreed a package of measures with the Treasury to offset the foreign exchange pressures on the

FCO budget in the year ahead and allow us to continue to deliver a world-class and comprehensive diplomatic service.

Mr. Boswell: At this stage of my political career, may I drop any ritual references to the Government's overall difficulties with economic management or their shedding of the overseas pricing mechanism, which has given rise to these difficulties? Let us concentrate on the main point. Does the Foreign Secretary accept that Members on both sides of the House want this country to have a first-class foreign service representation and will not tolerate any deviation from that?

David Miliband: Yes.

Afghanistan

16. **Hugh Bayley** (City of York) (Lab): What assessment he has made of the likely outcome of the forthcoming shura to be held by President Karzai of Afghanistan; and if he will make a statement. [325365]

Mr. Mark Francois (Rayleigh) (Con): Sixteen comes directly after 15.

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): Indeed; I am grateful for the help from the Opposition Front Bench. The forthcoming peace jirga will be the Government of Afghanistan's opportunity to secure the support of the Afghan people for their reintegration and reconciliation proposals. To deliver this support, we encourage the Government of Afghanistan to make this event as inclusive as possible.

Hugh Bayley: Afghanistan needs a politics of national unity to defeat the Taliban and corruption, and to create conditions that will allow British troops to leave. What is my right hon. Friend doing to try and ensure that when the Loya Jirga is held later this month, it ends up creating a more inclusive politics for Afghanistan?

David Miliband: My hon. Friend makes a very important point. The greatest resource for international forces and for the Afghan Government is that less than 10 per cent. of the Afghan people want the Taliban back. There is widespread hatred for the brutality that they represent. However, a political settlement for Afghanistan is something that this Government have been advancing for some time, saying clearly that the purpose of military and civilian effort is to create the conditions for a political settlement. The peace jirga is the first chance to take that forward. It is not about negotiations, but about preparing the ground. We want it to be as wide as possible—1,200 to 1,500 participants have been mentioned. I welcome that. It is also important to say that all the tribes of Afghanistan must have a say in that future political settlement. It is not a matter of including former insurgents, only to find that northerners then leave the political settlement. It is important that all the ethnic tribes are balanced in a political settlement that can endure.

Topical Questions

T1. [325374] **Mr. Eric Illsley** (Barnsley, Central) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): On 1 April I announced that I had instructed the British Indian Ocean Territory Commissioner to declare a marine protected area in the territory, which will include a no-take marine reserve. By establishing this marine protected area, the UK has created one of the world's largest marine protected areas and has doubled the global coverage of the world's oceans benefiting from protection. I wish to emphasise that the creation of the MPA will not change the UK's commitment to cede the territory to Mauritius when it is no longer needed for defence purposes. It is also without prejudice to the outcome of the current pending proceedings before the European Court of Human Rights. The BIOT administration has been tasked with taking the establishment of an MPA forward in order that this is achieved in a realistic, sustainable and affordable way.

Finally, on a separate topic—[Hon. Members: "This is a different question."] No. On a separate matter, Mr. Speaker, I hope you will allow me to say, I am sure on behalf of the whole House, that we utterly condemn yesterday's attack on the US consulate in Peshawar and the earlier suicide attack in Lower Dir. There can be no justification for these bloody acts.

Mr. Illsley: May I return my right hon. Friend to the question that was raised a few moments ago—the problems that some of our overseas posts are experiencing as a result of exchange rate fluctuations? Surely it cannot be right that some of the staff at our overseas posts have to volunteer to work for a period for no salary to make up the posts' funding. Can we reinstate the overseas pricing mechanism and reinforce the measures that my right hon. Friend mentioned a few moments ago?

David Miliband: That is certainly one of the issues that will be considered in the next comprehensive spending review. The £75 million that has, in effect, been added to the Foreign Office budget for this year will ensure that the comprehensive first-class global network that we have is maintained and developed.

Mr. William Hague (Richmond, Yorks) (Con): May I associate the Opposition utterly with what the Foreign Secretary just said in condemnation of the attack on the US consulate in Peshawar?

Following up the question by the hon. Member for Barnsley, Central (Mr. Illsley), will the right hon. Gentleman look again at the recent report of the Foreign Affairs Committee, which warned of "very severe strains" on the Foreign and Commonwealth Office and

"an unacceptable risk to the FCO's ability to perform its functions"

as a direct result of his decision to transfer the entire exchange rate risk of the Foreign Office's expenditure to the Foreign Office for 2008-09? Given that no other major Foreign Ministry in the world conducts its affairs in that ridiculous way, will he now concede that it was a grave and short-sighted error and join me in saying that, whoever the Foreign Secretary is in one month's time, they should pledge to reverse that bad decision?

David Miliband: I think the right hon. Gentleman will find that many other countries are having to make the sort of efficiency savings that the Foreign Office in this country has made. As he will have seen, the French

Foreign Ministry and those of other countries are facing severe budgetary strain, and we make no apology for taking our efficiency measures seriously. However, I thought that he would want to welcome the fact that we have secured the £75 million to ensure that, when the Labour party returns to the Government Benches in one month's time, we are able to ensure significant long-term progress through the comprehensive spending review.

T2. [325375] **Mr. William Bain** (Glasgow, North-East) (Lab): Does my right hon. Friend recollect that in 1997 this country was politically isolated in Europe and the social chapter had shamefully been left unsigned? Does he agree that great progress has been made in areas from justice to climate change through a more positive engagement in the intervening 13 years? Would that not be put at risk if we were to become the great ignored of the EU in the coming weeks?

David Miliband: My hon. Friend makes an important point. The pro-European part of the Conservative party is leaving this House, and we have already paid tribute to one such right hon. Gentleman. In 1997 this country was a source of despair to its friends and disdain to its enemies, and that has been reversed over the past 13 years—on Europe, on overseas aid spending and on a range of human rights and other democracy-promotion issues. We will fight this election proud not only of our foreign policy record, but of the fact that we are going to be proactively and positively engaged with the European Union.

T4. [325377] **Mr. Mark Harper** (Forest of Dean) (Con): I cannot believe that the Foreign Secretary tried to suggest with a straight face that scrapping the overseas pricing mechanism was a good idea, or that he defended it. How can he seriously suggest that subjecting to the mercies of the foreign exchange market the budget of his Department and our ability to project our influence overseas is a good idea? Did he really sign up for it?

David Miliband: I certainly did not say anything other than that the efficiency savings that we are making are important. The hon. Gentleman is very welcome to check *Hansard* in the leisure time that he has over the next three or four weeks. However, the fact is that we run a comprehensive service, with 261 posts throughout the world. It is widely recognised for its influence both in bilateral and multilateral relations, and long may that continue.

T3. [325376] **Mike Gapes** (Ilford, South) (Lab/Co-op): Almost one year ago the Sri Lankan civil war came to an end. Some 280,000 Tamils were then put in detention, and 70,000 people in Sri Lanka are still in detention camps. What are our Government doing to press on the Sri Lankan Government the need to ensure that the Tamil population are completely released and reintegrated into society, so that they feel that they have a stake in a future Sri Lanka?

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): My hon. Friend is absolutely right to raise that issue. We have provided £13.5 million of assistance in the post-conflict period to help almost 300,000 people who have been displaced by fighting. Of course, there has been some progress in terms of the number of people in camps falling to about 80,000, but that is not good enough. The Government will continue to apply pressure to the Sri Lankan Government until all those people are allowed to return home safely and freely.

T6. [325379] **Tony Baldry** (Banbury) (Con): Does the Secretary of State agree with the Foreign Affairs Committee that the current exchange rate pricing mechanism for the Foreign Office is simply unsustainable? The extra £75 million is welcome, but it is a one-off, and this is not an issue that can wait for a comprehensive spending review. Does not the Secretary of State think that he should negotiate a new bilateral deal with the Chancellor of the Exchequer?

David Miliband: On reflection the hon. Gentleman, who I know follows these matters carefully, will understand that that would not be a very sensible course. Any Government after the general election will have to set a framework for public spending for all Departments, and it is quite right that the Foreign Office has negotiated a special bilateral agreement for this year. That is very important, but it is also important that we then take a long-term look at the funding of the Foreign Office and other Departments. The ability to do so on a three-year or even longer-term basis is a good thing, and that is the right way to proceed.

T5. [325378] **Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op): In the nearly three years during which my right hon. Friend has been Foreign Secretary, has he ever taken a Labour fundraiser with him when meeting the leader of a foreign country?

David Miliband: No, I certainly have never taken a Labour fundraiser to a meeting with a foreign Government, and I look forward to the day when the shadow Foreign Secretary can give me a straight answer to the question whether Lord Ashcroft has ever been taken to meetings with foreign Governments in places where Lord Ashcroft has business interests. I have written to the right hon. Gentleman three times about that; I know that the postal service has its problems, but we have never had a reply.

Mr. Speaker: Order. I am grateful to the right hon. Gentleman, but we must press on.

T8. [325381] **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): Following the recent worrying events in South Africa, what discussions has the Foreign Secretary had with his overseas counterpart to ensure the safety and security of British football fans who will be travelling to South Africa later in the year to the World cup finals?

Angus Robertson (Moray) (SNP): English football fans.

David Miliband: I hope that all UK citizens will be supporting the English team, and I am sorry if the hon. Member for Moray (Angus Robertson) wants to distinguish between English, Scottish, Welsh and Northern Irish fans in respect of the World cup. Obviously, we talked about the issue when we met the South African President

and South African Foreign Minister during the state visit last month. They are taking the issues of security and wider provision for fans extremely seriously. The bilateral engagement between our two countries is of a very high order on this important issue.

T7. [325380] **Andrew Mackinlay** (Thurrock) (Lab): Will the Secretary of State tell us what representations were or will be made by him to the Israeli Government in relation to the Palestinian and Arab Christians who were denied access to the holy places over Easter, the most important festival in the Christian calendar? Will he do all he can to ensure that access is given to these Palestinian Arabs, who are a minority, so that they can celebrate that important feast in future?

Mr. Ivan Lewis: First of all, I am sure I speak on behalf of Members on both sides of the House in paying tribute to my hon. Friend's unique contribution to the affairs of this House. I shared a corridor with him when I started my parliamentary career; I shall leave it at that. It was a tremendous privilege to get to know him.

My hon. Friend has raised an important issue. One of the constant conversations that we have with the Israeli Government is about ensuring that there is maximum support for interfaith harmony in Israel and that any restriction of movement is lifted, other than in the most extenuating of security circumstances.

T9. [325382] **Mr. Bernard Jenkin** (North Essex) (Con): Can the Foreign Secretary confirm that it is his Government's policy to increase the British contribution to the European Union by billions of pounds and to pay for that by cutting back on the funding of British overseas postings run by his Department? Because that is the net result.

The Minister for Europe (Chris Bryant): The hon. Gentleman knows perfectly well, because he is quite an intelligent man; that that is not the policy of this Government nor, indeed, of his party.

Barry Gardiner (Brent, North) (Lab): I hope that my right hon. Friend recalls the Royal Society's prognosis of July last year that tropical coral reefs might survive on this planet for only another 40 years because the rate of destruction was so great. Does he understand the very real hope that his announcement on Friday of last week, about the designation of the marine protected area in the Chagos archipelago, has given ocean scientists around the globe?

David Miliband: Last week's announcement has been widely welcomed in the scientific and environmental community, and for good reason. A unique resource is being created for the future—for all future generations, for the planet, for scientific research and for the protection of the environment. It is a very good symbol of the sort of internationalism and the sort of responsibility that this country should stand for.

Sir Patrick Cormack (South Staffordshire) (Con): As one who believes that our country is extremely well served and represented by our diplomatic service, may I ask the Foreign Secretary to assure the House that there are no plans to close or amalgamate any of our embassies?

David Miliband: I have spoken to the hon. Gentleman on many occasions and have come to know his wisdom and his commitment to the House and to our political system. I hope that he will not be too embarrassed if I pay tribute to him from this side of the House and thank him for his very many years of outstanding service, not just to his constituents but to the House. I know that we have tried to remove him at successive general elections, but without much success.

In respect of the Foreign Office's 261 posts around the world, we keep all our posts under very close review but there are no plans at the moment to close any embassies.

Dr. Brian Iddon (Bolton, South-East) (Lab): It is not just that Palestinians in Jerusalem and East Jerusalem are being prevented from praying; they are having their houses confiscated in ever-increasing numbers as well. Is my right hon. Friend aware that some of those Palestinians are having to seek asylum in this country, and should they be audacious enough to return to their own country and step off the plane at Tel Aviv, they are in danger of being tortured, put back on a plane and returned to Britain?

David Miliband: My hon. Friend makes a very important point. I wish him well in his retirement and thank him for all his service to his constituents, and of course to our party and the House.

Jerusalem is rightly at the centre of all the great religions; it is a tinderbox. It is very important that all sides are very careful in the actions that they take in that respect, and that the rights of all denominations and all faiths are respected in that special place. The committees and other structures that have been created to govern the holy sites are there for a purpose, and the rules and norms that they have established need to be adhered to very closely indeed.

Robert Key (Salisbury) (Con): The people of Estonia have held this country in particular regard ever since the intervention of the Royal Navy in their war of independence after the first world war. In fashioning the future foreign and defence policy of this country, will this Government and the next never forget the professionalism and sacrifice of Estonian forces fighting alongside British forces in Afghanistan and the professional and courageous military personnel who, on a tiny budget, show courage above all possible expectations?

Chris Bryant: I think that the hon. Gentleman is the last of the parliamentary swans making their swansong at questions this afternoon, but he is a very fine swan indeed. He has been a great Member of this House and I pay tribute to him and to the many other retiring sensible, pro-European Conservatives who still exist.

The hon. Gentleman is absolutely right about Estonia and its contribution. Our troops, in Afghanistan now and in previous conflicts, have known perfectly well that the Estonians have been very strong and successful allies of ours.

Christopher Fraser (South-West Norfolk) (Con): Further to the question by my hon. Friend the Member for Christchurch (Mr. Chope), does the Minister agree that NATO should be the cornerstone of European defence?

Chris Bryant: Yes I do, and I am delighted that the Lisbon treaty makes that clear.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Following on from the question by the hon. Member for Sheffield, Heeley (Meg Munn) about business in Iraq, is the Foreign Secretary aware that businesses that I speak to feel that the British Government are not supporting them adequately? Given that Iraq has the world's second largest oil supply and that there is a desperate need to rebuild its infrastructure after the war, what more can he do to build ties with the incoming Iraqi Administration so that British business can do more business with Iraq?

David Miliband: This is the only European country that has held an Iraq investment conference and we are committed to UK Trade and Investment and other embassy functions that support commercial diplomacy. The hon. Gentleman's question would be better if he could give me any details of companies that he says have been frustrated. We would be very happy to work with them, because I assure him that many other companies are delighted rather than frustrated.

Chagos Islands

3.33 pm

Jeremy Corbyn (Islington, North) (Lab) *(Urgent Question)*: To ask the Foreign Secretary if he will make a statement on the declaration of a marine protected area around the Chagos islands and what consultation took place before the announcement was made.

The Minister for Europe (Chris Bryant): On 1 April 2010, my right hon. Friend the Foreign Secretary announced the creation of a marine protected area in the British Indian Ocean Territory. It will include a no-take marine reserve where fishing will be banned. The creation of the MPA is a major step forward for protecting the oceans not just around the territory itself but throughout the world.

The decision to establish a marine protected reserve was taken following a full public consultation and careful consideration of the many issues and interests involved. The response to the consultation was high, with more than a quarter of a million people registering a view. The great majority of those responses came in the form of petitions, but the response was so wide-ranging that it was global, including from private individuals, academic and scientific institutions, environmental organisations and networks, fishing and yachting interests, members of the Chagossian community, British Members of Parliament and peers and representatives of other Governments.

The great majority of respondents—well over 90 per cent.—made it clear that they supported greater marine protection of some sort in the Chagos archipelago in principle. However, the views on the proposal were mixed and the responses were not confined to the options listed in the consultation document. The announcement is the first key step in establishing an MPA. There is still much work to be considered and we intend to continue to work closely with all interested stakeholders, both in the UK and internationally, in implementing the reserve.

Jeremy Corbyn: The Minister must be aware that on 10 March I was given an undertaking in a Westminster Hall debate that consultation with interested parties, Members of Parliament and the Chagossian community would take place before an announcement was made. No such consultation has taken place, and there has been no communication with me as chair of the all-party group on the Chagos islands or with the Chagossian communities living in Mauritius, the Seychelles or this country.

The Minister will also be aware, because he gave the apology on behalf of the Government, that a terrible wrong was committed against the Chagos islanders in the 1970s and 1980s, when they were driven out to make way for a US base. Every other marine protected area proposed anywhere in the world by anybody includes a local human element to protect the zone. He knows full well that the Chagos islanders support the MPA, but not with a no-take policy; they support it with a sustainable fishing policy that will enable a sustainable community to return to their islands to live and look after the MPA.

Finally, the Minister will also be aware that later this year the islanders' long fight for justice and human rights, which has been fought so that they can return to their islands, will be heard at the European Court of Human Rights in Strasbourg. Many of us believe that the islanders will be victorious. At that point, will he accept that the islanders' return can also be protective of the environment from which they were so cruelly snatched all those years ago?

Chris Bryant: I pay tribute to my hon. Friend for the work that he does as chair of the all-party group. He has brought the views of the Chagossians to the attention of many people in this House and further afield, expressing with clear articulateness their rights and needs. However, I should just say to him that our decision to set up the MPA has no effect on our relationship with Mauritius; it does not change one jot the guarantees that we have made to its Government. Nor does it have any effect on our relationship with the Americans in respect of Diego Garcia or on the hearings that will be held later this year at the European Court of Human Rights—this decision is entirely without prejudice to those.

I apologise to my hon. Friend and to the House, because it became clear to us that, notwithstanding the commitment made to him in the debate, no further information could have come in that would have made any difference to the decision on the protection of the marine environment in the British Indian Ocean Territory. He referred to the question of whether there should be a no-take agreement or a sustainable fishing arrangement. The truth is that very few sustainable fishing arrangements around the world have ever been successful, which is why we believe it vital that there should be a no-take arrangement in this area. Extensive consultation did take place over several months, including with my hon. Friend, part of which was, of course, the Westminster Hall debate that he led.

Mr. Keith Simpson (Mid-Norfolk) (Con): I congratulate the hon. Member for Islington, North (Jeremy Corbyn) on raising this urgent question. He initiated the debate in Westminster Hall and the Minister might wish to think again about what the hon. Gentleman said about the lack of consultation with the Chagossians; at the very least, even at the public relations level, that was unfortunate.

It is appropriate that the House considers these issues before Parliament is dissolved, given that the Chagos islanders' case is before the European Court of Human Rights. There is a great deal of sympathy from those on both sides of the House for the plight of the Chagossians, and their interests must be placed at the heart of any decisions made about their homeland.

I would like briefly to put two or three questions to the Minister. What discussions have the Government had with the Government of Mauritius since the Foreign Secretary's announcing the creation of the marine protected area in the Indian ocean, which the Conservative party welcomes? The Foreign Secretary said in his statement last week that the creation of the reserve

"will not change the UK's commitment to cede the territory to Mauritius when it is no longer needed for defence purposes".

Will Mauritius be legally liable to continue the marine protected area when that occurs? What safeguards will be put in place to ensure the long-term protection of the marine area and, in particular, any investment that the UK and other partners make in the development? Furthermore, what discussions have been had with regional

states, such as Maldives and Seychelles? Are they supportive of the idea of a marine protected area? Finally, what steps are the Government planning to take to ensure effective enforcement of the ban on illegal fishing in the zone, and how will they ensure that the marine protected area is not simply a paper proposal without practical impact?

Chris Bryant: I am grateful to the hon. Gentleman for his broad support for the measures that we are undertaking. I think that all Members of the House are keen to ensure that one of the areas of greatest biodiversity in the world, which is within British territory, can be protected for the future.

The hon. Gentleman asked some specific questions, including about what consultations and discussions there were with Mauritius. My right hon. Friend the Foreign Secretary spoke on Thursday with the Prime Minister of Mauritius, and there have been extensive discussions with others in the area. I should say, in answer to the hon. Gentleman and my hon. Friend the Member for Islington, North, that one of the things we have to do over the next few months is lay out precisely how the reserve will function. During that process, of course we have to discuss specific elements with the Chagossians, their representatives and Members of both Houses, and we are keen to do that.

The hon. Gentleman asked about the fishing. He will know that the British Indian Ocean Territory is particularly important not only because 784 different kinds of fish live on the coral reefs, but because many fish migrate through the territory, and it is the fishing of those migratory fish in the territory that is providing a major problem for fish stocks across the whole of the Indian ocean. That is why we believe that this is a particularly important moment. We will be suspending the three licences presently made available, which bring in something like £1 million a year, and finding the money elsewhere.

Mr. Paul Keetch (Hereford) (LD): I also congratulate the hon. Member for Islington, North (Jeremy Corbyn) on raising this issue. Following the hon. Gentleman's important question about consultation, will the Minister say whether the Chairman and Members of the Foreign Affairs Select Committee, which in this Parliament carried out an inquiry into our overseas territories, were consulted? Again following on from the hon. Gentleman's questions, will the Minister assure the House that the creation of the MPA, which the Liberal Democrats would, of course, automatically support, will not affect the ability of the Chagos islanders to return and have a sustainable community? Finally, will the presence of nuclear-powered and nuclear-armed US warships be permitted within the zone of the MPA?

Chris Bryant: I hope that the hon. Gentleman understands that the Government feel deep regret—many right hon. and hon. Members have also expressed such regret—for how the Chagossians were treated in the late 1960s and early 1970s. However, we believe that that has now been settled in the highest court of this land by the Law Lords. Yes, a court case will be heard in the European Court of Human Rights, but this is an important step to take, notwithstanding any possible discussions or judgment handed down by the Court, because we believe that the biodiversity in that territory is essential to the world. *[Interruption.]* The hon. Gentleman asks from a sedentary position whether the Foreign Affairs Committee was consulted. The whole House was consulted, the country was consulted, and we extended the consultation process by weeks so that others could take part. I must say that many Foreign Office consultations get hardly any replies at all, even from the Liberal Democrats, and yet in this case more than 250,000 people expressed their view—90 per cent. of them in support of the MPA. Notwithstanding the rows that some people want to raise about the process, I hope that they support the policy that we are adopting.

Several hon. Members *rose—*

Mr. Speaker: Order. This is a matter of considerable interest, as is reflected in the number of Members seeking to catch my eye, and I should like to accommodate everybody. There is, however, pressure on time, so pithy questions and answers are the order of the day.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): My hon. Friend the Minister will know that the vast majority of endangered species are in British overseas territories, rather than on the UK mainland. The Government have been criticised in the past for not paying enough attention to this aspect of our overseas territories. What effect will the proposed area have on protecting endangered species?

Chris Bryant: I am grateful to my hon. Friend for that question, and I pay tribute to her because, when she had responsibility in the Foreign Office for the overseas territories, she started a lot of the work that has enabled us to undertake such work now. Reference was made earlier to the coral reefs in the British Indian Ocean Territory. Actually, it is one of the few areas in the world where the coral reefs have been rapidly growing again, and that is because of the work that we have been able to do in recent years. We will now be able to do more. There are 220 species of coral there, many of which are specific to the Chagos islands, and we will be able to protect them by establishing the MPA.

Peter Bottomley (Worthing, West) (Con): Will the Minister try again to explain what happened between 10 March and 1 April, the first day after Parliament rose for Easter? Will he also kindly explain the size of the proposed area, and tell us whether the Chagossians' return to the islands will be affected by these proposals?

Chris Bryant: There will be absolutely no effect on whether Chagossians have a right or do not have a right to return to the islands by virtue of the announcement that we have made. I thought that I had made that clear already—

Peter Bottomley *indicated dissent.*

Chris Bryant: The hon. Gentleman is shaking his head, so I have obviously misunderstood the precise nature of his question. Doubtless he will inform me of it later. He also asked what happened between 10 March and 1 April. We made the decision that no further information could possibly be garnered that would affect whether it was right or not to establish a reserve now. That is why we decided to act. We believe that it is in the interests not only of the territory itself but of the whole of the Indian ocean and of the biodiversity of the planet that we start the MPA as soon as possible.

Kate Hoey (Vauxhall) (Lab): The Minister has still not explained the reason for the urgency. The consultation ended only on 5 March, and the facilitator herself said that the process would take three months, so why has this been rushed through? Will he also answer this question: does this decision not rule out the Chagossian people ever going back to live there?

Chris Bryant: As my hon. Friend knows, we do not believe that the Chagossians will be returning to the islands—[HON. MEMBERS: "Ah!"] But this particular decision has nothing to do with that. It is completely separate from the decision, in its entirety. As I have already said, the House of Lords has made it clear that the position of the UK Government is correct in law, and the only place where there is now contention is in the European Court of Human Rights.

Mr. William Cash (Stone) (Con): Does the Minister accept that he has just let the cat out of the bag? What he has just said clearly indicates that he is trying to separate the MPA from the rights of the Chagossians, who, as the hon. Member for Islington, North (Jeremy Corbyn) said in our debate the other day, are regarded as having been subjected to a terrible wrong. Given the Minister's much vaunted interest in human rights, would he be good enough to understand that some of us believe that when we are offered consultation, we expect to get it?

Chris Bryant: There has been substantial consultation. This has been one of the most far-reaching—and the most replied-to—consultations that the Foreign Office has engaged in. More than 250,000 people took part in it, and 90 per cent. of them supported the idea of creating an MPA. However, this decision has nothing to do with the rights, or the lack of rights, of people to return to the islands of Chagos. Yes, I completely agree with the hon. Gentleman that what happened in the 1960s and early '70s was absolutely shameful. I agree with him that the early compensation that was paid was also shameful. Later compensation has been paid—something in the region of £14 million in today's terms. However, it would be unrealistic to expect the Chagossians to return to those islands, however much individual Members of this House might want that to happen.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): Does my hon. Friend accept that he cannot hide behind environmentalism to mask what many of us fear is an encroachment on the rights and legitimate expectations of the Chagossian people? He argues that the consultation he carried out approved a measure of support for further marine protection, but does he not accept that very few people want further marine protection at the expense of the Chagossian islanders, which is what the House is concerned about this afternoon?

Chris Bryant: The extension of the marine protected area and the new measures we are taking will not have any direct or indirect effect on the rights or otherwise of Chagossians to return to the islands. These are two entirely separate issues. Some have suggested that one should protect humans and not bother to protect the marine environment—*[Interruption.]* I know that that is not what my hon. Friend is saying, but in order to protect those who fish across the whole of the Indian ocean I believe that we have to protect the marine environment.

Mr. Mark Field (Cities of London and Westminster) (Con): Given that the Minister has called the treatment of the Chagossians "shameful", does he not understand the concerns reiterated on his side of the House by the hon. Member for Vauxhall (Kate Hoey) that this is being rushed through in double-quick time? That will lead many—and not just the usual suspects—to suspect that the Government are using the environmental issue as a fig leaf for the continued abuse of these human rights.

Chris Bryant: I have to underline for the hon. Gentleman that the environmental issues are very significant. The tuna that pass through the British Indian Ocean Territory feed many people across the east coast of Africa. Those supplies are being rapidly diminished. We need a no-take policy across the area. There are many other elements of biodiversity on the islands that we need to protect, but the decision has nothing to do with the rights or otherwise of the Chagossians to live on the islands.

Laura Moffatt (Crawley) (Lab): One of the most important groups of Chagossians were consulted—the large group who live in Crawley. They were very clear that they wanted the marine protected area, but they were keen to keep a foothold in their history. Although most will decide to remain in Crawley—I am very glad they will do so—they are keen to have a stake in the islands' future. Can the Minister give us any assurance about that?

Chris Bryant: I should pay tribute to my hon. Friend, who has one of the largest Chagossian communities in the country in her constituency; I know that various Foreign Office Ministers have met her and the community. She is absolutely right that there should be an ongoing connection between the Chagossians and what happens with the MPA. That is why, as I said earlier, I am keen to ensure that, if I still hold this post after the general election, we have ongoing discussions with the Chagossian community in this country and further afield so that the implementation of the MPA meets the requirements and needs of the Chagossians.

Miss Anne McIntosh (Vale of York) (Con): Will the Minister clarify what would happen if the islanders returned and were unable to fish, as that would make it difficult for them to live? If they return, will they still be able to fish under the new regime?

Chris Bryant: As I said earlier, we believe it difficult and next to impossible to create a sustainable fishing regime in the British Indian Ocean Territory. Wherever it has been attempted elsewhere, it has failed. At the moment, the Chagossians have chosen not to take up any of the three fishing licences available within the British Indian Ocean Territory, but there are many elements involved in the question of whether life would be sustainable on the islands for the Chagossians—not least the fact that many of the buildings in which they lived back in the '60s and early '70s are no longer habitable.

Mr. David Drew (Stroud) (Lab/Co-op): My hon. Friend needs to be aware that this issue will not go away. Will he explain why conservationists and scientists feel that they have been used by the Government in their introduction of the marine protected area as a way of stopping the Chagossians from going home?

Chris Bryant: Well, I am sorry. I am fond of my hon. Friend and I am sad that he has made that point this afternoon, as what he said is not my experience. The non-governmental organisations that I have spoken to have made it clear that they fully support the MPA.

Tim Loughton (East Worthing and Shoreham) (Con): Impressed though the House may be with the Minister's marine knowledge of the Chagos islands and his Rumsfeld-like impressions in not needing to know what he does not know, will he tell me what livelihoods remain for the Chagossians, many of whom live in my area of West Sussex? Secondly, will he tell us whether any pressure was brought to bear on him by his American counterparts in the naval base nearby?

Chris Bryant: Absolutely no pressure was brought to bear by the United States of America on me or anybody else. I am not in charge of the community in the United Kingdom; I have responsibility only for the British Indian Ocean Territory itself.

Barry Gardiner (Brent, North) (Lab): May I urge my hon. Friend to stick with the science, because he is absolutely right? A no-take zone in the area is vital; upon it depend the livelihoods of more than 500 million people in the Indian ocean territories, because those coral reefs represent the seed bed for most of the marine fish life in the Indian ocean. It is an absolutely vital resource, and he must absolutely stick with the science. May I further urge my hon. Friend to understand that the coral reefs there are so sensitive and pristine that the scientists who work there do not even wear sun tan lotion for fear of contaminating the coral?

Chris Bryant: My hon. Friend is absolutely right, and I pay tribute to him for his long-term interest in these matters. The larger grouper fish and the wrasse are almost fading into non-existence in other parts of the Indian ocean and, without the protection that we will be able to provide in the British Indian Ocean Territory, they could well become extinct, thereby depriving many millions of people around the Indian ocean of any means of living at all.

Mr. John Grogan (Selby) (Lab): Does my hon. Friend think that the late Robin Cook, who is the only Foreign Secretary really to have recognised the rights of the Chagos islanders, would have endorsed this decision—and if Robin Cook had taken this decision, does my hon. Friend not think that the least he would have done would be to come personally to the Dispatch Box to defend it?

Chris Bryant: Well, I am absolutely certain that Robin Cook would have wanted to bring forward the protection for the biodiversity in the British Indian Ocean Territory.

Business of the House

3.57 pm

The Leader of the House of Commons (Ms Harriet Harman): I should like to make a business statement. Following the Prime Minister's announcement earlier today, the business for this week will now be as follows:

WEDNESDAY 7 APRIL—Consideration of a business of the House motion to facilitate business to prorogation, followed by remaining stages of the Bribery Bill [*Lords*], followed by consideration in Committee and remaining stages of the Northern Ireland Assembly Members Bill [*Lords*], followed by motion relating to the draft Misuse of Drugs Act 1971 (Amendment) Order 2010, followed by remaining stages of the Debt Relief (Developing Countries) Bill, followed by all stages of the Appropriation Bill, followed by all stages of the Finance Bill, followed by consideration in Committee and remaining stages of the Digital Economy Bill [*Lords*], followed by, if necessary, consideration of Lords amendments. The House may also be asked to consider any Lords messages which may be received.

THURSDAY 8 APRIL—Remaining stages of the Sustainable Communities Act 2007 (Amendment) Bill, followed by consideration of Lords amendments to the Crime and Security Bill, followed by consideration of Lords amendments to the Constitutional Reform and Governance Bill, followed by consideration of Lords amendments to the Children, Schools and Families Bill, followed by consideration of Lords amendments to the Energy Bill, followed by consideration of Lords amendments to the Financial Services Bill, followed by consideration of Lords amendments to the Flood and Water Management Bill, followed by, if necessary, consideration of Lords amendments. The House may also be asked to consider any Lords messages which may be received.

The House will not adjourn until Royal Assent has been received to all Acts. The House will be prorogued when Royal Assent to all Acts has been signified. Parliament will be dissolved on Monday 12 April by proclamation.

As the Prime Minister announced this morning, Her Majesty will summon the new Parliament to meet on Tuesday 18 May.

Sir George Young (North-West Hampshire) (Con): I thank the right hon. and learned Lady for her statement. May I say how delighted we are on these Benches that the Prime Minister has at last pushed the button and called the election? We relish the prospect over the next four weeks of taking our argument for lower taxes on jobs, less waste and reduced debt across the country.

On the forthcoming business, will she confirm that there will be Prime Minister's Question Time as usual tomorrow, oral questions to the Secretary of State for Energy and Climate Change on Thursday and no interruption to the schedule for Adjournment and Westminster Hall debates? Does she accept that we will enter into constructive discussions with the Government about the Bills in the pipeline, balancing the need for scrutiny with the need to get certain legislation on the statute book without further delay?

For the benefit of the whole House, will she tell us how long the debate will be on tomorrow's business motion? So that the House can pace itself, will she tell us how long she expects the House to spend on each of the Bills whose titles she has just read out?

[Sir George Young]

Finally, as she has made no announcement about the draft Standing Order on the Committee on Reform of the House of Commons, will she now confirm that the Government have finally kicked into the long grass the proposals to set up a business committee? Will she confirm that it will fall to the next Government to introduce this important House of Commons reform?

Ms Harman: I can confirm that there will be questions to the Prime Minister in the usual way and that there will be questions to the Department of Energy and Climate Change. We will table the programme motion this afternoon, so hon. Members will be able to consider it, and it will then be debated. Obviously, the length of the debate on the programme motion will be a matter for Mr. Speaker.

As far as the draft Standing Order is concerned, following the Committee on Reform of the House of Commons, we have agreed—the House has agreed—the election of Select Committee Chairs, the election of members of Select Committees and that Back-Bench Members should be able to—

Mr. Andrew Robathan (Blaby) (Con): That's a no, then.

Ms Harman: I am just trying to explain to the House the progress we have made. Back-Bench Members will be able to table motions that can be voted on. The House has resolved to agree that there should be a Back-Bench committee for House business. We have drafted the Standing Orders that would give effect to that and they have been tabled. I think it is wrong for hon. Members who did not win the vote to table amendments that serve as an objection and I would therefore ask hon. Members who have tabled amendments to withdraw them so that we can approve the Standing Orders. They do no more and no less than give effect to the resolution that the House has already expressed of wanting to proceed with a business committee. I think hon. Members should withdraw their amendments, which serve as an objection, so that we can conclude the matter in this Parliament. If that is not the case, and Members persist with their amendments, we will at least have made progress on all the things I have listed. The House will have decided in principle to make progress but the Standing Order change, which we have already drafted, could be done as the first act of the next Parliament.

David Howarth (Cambridge) (LD): I apologise for the absence of my hon. Friend the Member for Somerton and Frome (Mr. Heath) who, for obvious reasons, is in Somerton and Frome, from where, I am sure, he will be deservedly returned, as will my other right hon. and hon. Friends who are standing again.

May I ask the Leader of the House about the Digital Economy Bill? The proposal appears to be to take the Second Reading today and all the remaining stages tomorrow. Given that there are a number of highly controversial proposals in the Bill, especially that about web blocking, surely now that we are in the wash-up, the most appropriate thing for the Government and the Leader of the House to do at this stage is to say that the Government will not proceed with those controversial parts of the Bill. That will save us all a lot of time and trouble over the next two or three days.

I welcome the fact that the vulture fund Bill—the Debt Relief (Developing Countries) Bill—and the Sustainable Communities Act 2007 (Amendment) Bill are both on the list. That is very welcome. It seems to me to be extraordinary, however, that the proposals of the Wright Committee on a Back-Bench business committee, which the Leader of the House has herself put forward, are not on the list. She seems to be saying that those measures are not on the list simply because a few Members are opposing them, but there are, equally, a tiny number of reactionary Members opposing those two Bills. Surely those three measures are in the same position. It is in her gift to bring forward the Wright Committee proposals at this stage. On three separate occasions—three weeks in a row—she undertook to put those proposals to the House. Surely it is a breach of faith for her to refuse to do so now.

Ms Harman: As far as the Digital Economy Bill is concerned, the hon. Gentleman is right to say that there will be a full Second Reading debate today, so it will have a normal Second Reading debate. It has had considerable scrutiny already in the House of Lords: it had seven days in Committee, which is more than any other Bill in the programme, and three days on Report, whereas every other Bill in the programme had only one day. However, I know that Members want it to be scrutinised in this House too, and there will be a further chance for scrutiny at the time of making the regulations to give powers to the courts to block access to internet sites in relation to copyright infringement. As that element of the Bill has generated much debate, those regulations will be subject to a super-affirmative procedure, which will operate in the following way.

There will be a public consultation on the draft regulations prior to their being laid in Parliament and they will be laid in draft in the House with an explanation of why they satisfy the necessary thresholds required to make the regulations. Those thresholds are set out in the Bill. At the same time, the public consultation response will be published. Draft regulations will sit in the House for 60 days and, at the same time, Committees of both Houses will consider them. That is the critical part of the super-affirmative procedure. It allows Committees, including Members of this House, to consider the provisions even though there will not be Committee stage in the normal way. Final regulations that take into account the recommendations of the Committees will be laid in Parliament and will be subject to the normal affirmative procedure. Of course, the Bill will make progress in the wash-up only on the basis of consensus.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): May I congratulate my right hon. and learned Friend on including the Debt Relief (Developing Countries) Bill in tomorrow's business? That demonstrates not only the Government's profound commitment to international development but the fact that they listen to the House of Commons. Has she received any indication that the Bill's passage through the House of Lords will be facilitated so that it can receive Royal Assent before Dissolution?

Ms Harman: I thank my right hon. Friend for his words about the vulture funds Bill, which has considerable support across the country. We expect and hope it to make good progress in the House of Lords. As I have said at successive business questions on Thursdays in

the House, it was disappointing that Opposition Members blocked it. They needed only to drop their objections for it to go through, and now they have seen the light and dropped them, so we hope it will go through and become law.

Mr. Roger Gale (North Thanet) (Con): The wash-up following the decision to dissolve Parliament is, by tradition and convention, always uncontentious and by agreement. Significant parts of the Digital Economy Bill are highly contentious and it is the view of many that it should not be debated at all following the announcement of Dissolution and that it could and should properly be left to a future Government, which could be done very swiftly indeed. Unless the right hon. and learned Lady is prepared to give a clear undertaking that the contentious parts of the Bill will be dropped, it will not go through. It is not good enough to say that it will be left to a statutory instrument in a future Parliament.

Ms Harman: But I was trying to explain to hon. Members that there will not be just the normal affirmative procedure, which does not allow for a Committee and for amendments to come from a Committee. If one thinks about what a Committee stage does, one sees that it allows Members of the House to consider the Bill in detail and to make amendments to it. The super-affirmative process that I have announced to the House, which will apply in the case of these contentious measures, will provide scrutiny by Members of this House in a Committee stage that can then lead to amendments. Therefore, whatever the House does by agreement in the wash-up will not come into force until there has been a Committee stage, in effect, under the super-affirmative procedure. I think the hon. Gentleman had worked out his concerns and objections before hearing my explanation that we would deal with the matter in this different way. This is something that can be discussed further when the Secretary of State moves the Bill's Second Reading later today.

Hugh Bayley (City of York) (Lab): The York-based company Jarvis made more than 1,000 track-renewal workers redundant last week. The skills of a work force are essential to the future of the railway. Network Rail is retendering the Jarvis work, and whoever wins it must re-employ the Jarvis workers. If my right hon. and learned Friend cannot find time for a debate on this important matter before Parliament is dissolved, will she at least ask the Secretary of State for Transport and the Minister for Yorkshire and the Humber—who I know has had many discussions about the matter—to meet me urgently to discuss these workers' jobs?

Ms Harman: I entirely take the point that my hon. Friend has made. He is absolutely a champion for people employed in his constituency, and he is understandably very concerned about the Jarvis employees who have been made redundant. I will ask the Secretary of State for Transport and my right hon. Friend the Minister for Business, Innovation and Skills to meet him so that he can discuss how to reassure his constituents and lay their concerns to rest.

Alistair Burt (North-East Bedfordshire) (Con): The right hon. and learned Lady may recall that, at the last business questions, I made an intervention about the Sustainable Communities Act 2007 (Amendment) Bill, which I was promoting. In response, she said—accurately perhaps, but slightly sharply for her—that I was "earnest" but "not relevant". She has included the Bill in the wash-up, so may I thank her most warmly on behalf of all those, both in the House and outside, who have promoted it? I ask her to do her very best to ensure that the Bill goes through, given that the official Opposition have always supported it.

Ms Harman: I was going to apologise for making perhaps waspish comments to the hon. Gentleman, but unfortunately I cannot remember at all the exchange that we had. However, he is right to say that the Bill is important, and he has played an important role in it. With the support of all sides of the House, it will become an Act of Parliament.

Mr. Tom Watson (West Bromwich, East) (Lab): I would have found the delegation to a Committee of controversial elements of the Digital Economy Bill more reassuring had I not seen item 12 on today's Order Paper. The Draft Conditional Fee Agreements (Amendment) Order 2010 was rejected by a Committee last Thursday but, less than a week later, it is being reintroduced by the Secretary of State for Justice. Even at this late stage, will my right hon. and learned Friend consider making representations to remove those controversial measures from the draft Bill?

Ms Harman: My hon. Friend can be reassured that the motion on the Order Paper to which he refers will not be moved today. It might be on the Order Paper now, but it is not going anywhere.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): On 11 March, the right hon. and learned Lady said that

"it is gratifying that there were very big majorities in the House last week to resolve this matter and move forward. We have the resolutions of the House. My task now is to make sure that the House is given an opportunity to endorse the Standing Orders that will give effect to them. My mandate is the will of the House as expressed in the resolutions. We need Standing Orders to give effect to them—nothing less."—[*Official Report*, 11 March 2010; Vol. 507, c. 433.]

Through you, Mr. Speaker, may I urge the Leader of the House to explain why she is reneging on a commitment that she gave for two weeks running—that if there were objections to the Standing Orders, they could not go through on the nod and that she would make time for the will of the House to be made clear? In her own words, it is her duty and responsibility to ensure that that happens.

Ms Harman: First, we should remind ourselves that the overwhelming majority of the Wright Committee's important proposals have gone through. Secondly, we have drafted the Standing Orders that give effect to the will of the House, and it is disappointing that they are being blocked. However, the Standing Orders have been drafted and are available for the House, and there will be an opportunity when the House returns for them to be put into effect. The objections are there. If they are taken off the Order Paper, they can be dealt with and go through as remaining Orders of the Day. If they do not, the hon. Gentleman should not be alarmed. All is not lost. They will remain there; they represent the will of the House, as expressed by a large majority, and it can happen as soon as the new Parliament arrives.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Will there be an opportunity to discuss the business of Government during the election period? In particular, will subcontracts continue to be let for the aircraft carrier order in my constituency? Given that the Royal Navy and the aircraft carrier are under threat from the official Opposition, it is obviously something of great interest to many of my constituents.

Mr. Speaker: The relationship to the business motion is extremely tangential, but I am sure the Leader of the House will deal with it.

Ms Harman: My hon. Friend will be reassured, as all Members should be, that although this country, as we know, remains in a fragile economic situation, we are on the right path. Businesses are beginning to grow and unemployment is beginning to fall, but we will continue to make sure that we take the right decisions for the future of the economy. Businesses will be able to look to the Government to be sure that we stand beside them—we do not let the recession take its course, as the Opposition would.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): In the very short time available before Parliament is dissolved, could the Leader of the House find time for a short debate on the decision by NHS West Sussex to close two very popular dental surgeries? One is at Maywood health centre in Bognor Regis and one is at Flansham Park. The decision has baffled the 4,000 patients who are registered with those dental surgeries. I have written to the Secretary of State for Health to enlist his support, but a debate would be helpful in trying to persuade NHS West Sussex to reverse that wrong and unpopular decision.

Ms Harman: Obviously, as the hon. Gentleman will know, that is a matter for local decision making. He has written to my right hon. Friend and will await a reply. He will know that his constituents, like all our constituents, have benefited from the massive increase for NHS funding, including in primary care and dental services.

Sir Patrick Cormack (South Staffordshire) (Con): The Leader of the House has listed approximately a dozen measures to be discussed in the next two days. She did not tell my right hon. Friend the shadow Leader of the House how much time she expected each measure to take. Will she now do so? Will she also allow the House to sit on Friday so that the Standing Orders can then be approved properly on that day?

Ms Harman: A programme motion will be tabled this afternoon and will be debatable tomorrow.

Mr. Don Foster (Bath) (LD): A few minutes ago, the Leader of the House told us that the controversial elements of the Digital Economy Bill, in relation to the application of technical measures, would be covered by the super-affirmative procedure. Can she confirm that it will apply to clause 11 as well as clause 18? She told the House that the Bill would go through only as a result of consensus. Can she define what she meant by "consensus"?

Ms Harman: There is plenty of opportunity to discuss all this in detail with the Secretary of State when he brings forward the Bill for its Second Reading.

Waste Recovery and Disposal Facilities (Public Consultation)

Motion for leave to bring in a Bill (Standing Order No. 23)

4.18 pm

Nadine Dorries (Mid-Bedfordshire) (Con): I beg to move,

That leave be given to bring in a Bill to require planning authorities to conduct a local referendum before considering planning permission for new large-scale waste recovery or disposal facilities which involve the recovery or disposal of waste from more than one county area; to provide that planning authorities and the Secretary of State must not grant planning permission if the result of such a referendum indicates that local people do not wish a facility to be developed; and for connected purposes.

In the last 10 years society has dramatically altered. Twenty-four hour access to rolling news and media and widespread and easily available access to the internet mean that today's individual is far more enlightened in terms of information than ever before. People are more aware of what is happening within their own communities and where their money is being spent. If a community requires more homes, a school or a hospital, traditionally developers have worked with local councils and provided a solution.

One could argue that, via the process of democracy, local people have their views and concerns more or less met within the provision of the planning decision-making process, but that is not always the case. Often, despite extensive consultation, the wider community view may not necessarily reflect the opinions of those citizens whose lives and environment will be deeply affected and impacted upon by a decision that has been taken elsewhere and, ultimately, local people feel powerless to control their quality of life.

When we live with what is recognised as a broken society, it is important that the process is reversed and that local people are once again empowered. Local empowerment is vital when the objective of a Government is to roll back the boundaries of the state to reverse what we have today, which is a big state centralising power and local people who feel helpless. We need citizens to become more involved in how their communities function and are shaped, to become community shareholders by taking ownership for the residents of today and future families of tomorrow.

My party has already articulated the desire to establish local housing trusts, which will enable local people to get together, form a trust and dictate how local housing needs will be met. Local people will drive the local housing growth agenda. They will be empowered and in control. We have exciting new policies in education that will enable local parents to establish and run local schools. However, my Bill proposes a further approach when the need for larger infrastructural facilities is required in a local community.

An area of Mid-Bedfordshire, which incorporates the communities of Stewartby, Marston Moretaine, Brogbrough and Lidlington, has been targeted for some time by the Government for development and growth. Not surprisingly, people who live in that targeted area would like some say in how it grows. A proposed inappropriate eco-town has already been successfully fought off by engaged and active local residents. As a result of European legislation and the need to cease using landfill and to create energy-from-waste facilities, Rookery Pit, within that growth area, has been designated as the preferred site for an energy-from-waste plant. That has raised a number of issues.

A large American company—Covanta—has maximised the opportunity to enter a sham process of local consultation and public relations, to try to convince local people that it has in some way advanced as a preferred developer and operator. The company has even indicated to me and other people that it is talking to local planners, which is not the case. The fact is that many organisations may tender, and probably will do so, to build the energy-from-waste plant at that location.

Bedfordshire has an excellent recycling record and already recycles 44 per cent. of its waste. I am sure that the majority of people in Bedfordshire understand the need to cease landfill and to burn what rubbish is not recycled, thereby creating clean energy in the process, but they do not understand why Bedfordshire should process the waste for Buckinghamshire, Cambridgeshire, Milton Keynes, Hertfordshire or anywhere else—counties that are quite capable of providing facilities to cater for their own waste.

It is time for the people who will be affected by such a proposal to be not only consulted but given a vote and the power to decide how and in what way their community and environment will alter. There is strong local opposition to the Covanta proposal, which in no real way benefits the local economy but aesthetically damages the local environment. From many of the beauty spots in Mid-Bedfordshire, the Millennium park, Ampthill park and Houghton house and, indeed, the home of my hon. Friend the Member for North-East Bedfordshire (Alistair Burt), the Covanta proposal would blight the landscape, and all will be able to see the proposed development.

The hope of Mid-Bedfordshire's economic growth targets being attained via tourism would be dashed in one planning approval. The already congested M1 and A421 would become blocked with the congestion and fumes from lorries carrying waste from other counties. They would use the same motorway junction as the traffic for the proposed Center Parcs site, which has yet to be built, and the assessment of the traffic on that junction has yet to be carried out. The size and scale of the proposed Covanta site make landscaping and disguise almost an impossibility even after five years of established growth and screening. The building would be half the height of Big Ben, which stands at around 80 metres high, and the chimneys of the proposed plant would stand at 145 metres. Mid-Bedfordshire cannot boast many hills, so I hope that the comparison with Big Ben and our flattish landscape provides some perspective on the visual impact that such a facility will have.

Therefore, given the enormous negative impact that a waste facility catering for more than the requirements of Bedfordshire would have on people living in and around the designated area, those people should be given a greater say in what happens. The Bill proposes holding a local referendum—the results of which the Secretary of State would honour—that would genuinely harness local opinion and allow a yes-or-no decision to be taken on the size and capacity of such a facility.

Facilities of Covanta proportions can be disguised in the wonderful, large-scale USA, but England is a fairly small island that is already becoming over-populated.

[Nadine Dorries]

We have no capacity for a facility of the size of the Covanta proposal. We have no spare air in Bedfordshire for errors of toxic fumes, we have no vista or horizon large enough to accommodate a facility the size of the Covanta proposal, and local people are running out of patience. Residents not only will have to deal with fumes and pollution from backed-up lorries on the A421, but will experience light pollution as the area will be plunged into almost perpetual daylight.

Very few jobs will be created by the facility and there will be very little benefit to the economy. Overall, one can only envisage a damaging and negative effect on the daily life of local residents. Residents do not say that there should be no such facility; they believe that a facility is required to deal with Bedfordshire's waste, but not one of the size proposed, so they would like more say about what happens in their local area.

Question put and agreed to.

Ordered,

That Nadine Dorries present the Bill.

Nadine Dorries accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 23 April, and to be printed (Bill 102).

Digital Economy Bill [*Lords*]

[Relevant Documents: Third Report from the Culture, Media and Sport Committee, on Channel Four Annual Report, HC 415, and Fourth Report from the Committee, on Future for Local and Regional Media, HC 43; and Fourth Report from the Business, Innovation and Skills Committee, on Broadband, HC 72.]

Second Reading

4.27 pm

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): I beg to move, That the Bill be now read a Second time.

It is important to acknowledge at the outset that the timing of our Second Reading debate is unusual, as I think that we would all accept, and I shall set out more detail about that in a minute. The substance of what we are considering, however, is how we protect and build on the great British success stories that are our digital and creative sectors. The United Kingdom is now No. 1 in the world in those sectors, measured as a proportion of our gross domestic product. The creative industries have grown at twice the rate of the economy as a whole over the past 10 years, and they should do so again over the next 10, thus helping to create many of the jobs of the future. The speed of that growth has been more than matched by the speed of technological change. Many of us will be carrying communications devices that we could not have imagined even five years ago. Hon. Members might even be using them as I speak, given that the rules in this place were sensibly relaxed a few years ago.

Mr. Edward Vaizey (Wantage) (Con): What about pagers?

Mr. Bradshaw: Pagers are long obsolete, as the hon. Gentleman will know.

Most of us, and certainly our children, are consuming music, film, books and other creative content in ways that would have baffled previous generations. The digital revolution has brought huge benefits and opportunities for a country such as Britain that is creative, innovative and flexible, but such rapid change also brings challenges. The overriding challenge that the Bill tries to address is that of keeping the legal framework that applies to our digital and creative sectors up to date in such a fast-moving world.

Mr. William Cash (Stone) (Con): Will the Secretary of State be kind enough to explain why his name did not initially appear next to the statement on compatibility with the European convention on human rights? Is there a mysterious reason, was it an oversight, or did the Under-Secretary of State for Business, Innovation and Skills, the right hon. Member for East Ham (Mr. Timms), who is sitting next to him, just get there slightly ahead of him?

Mr. Bradshaw: I am sure that there is an innocent explanation.

Keith Vaz (Leicester, East) (Lab): My right hon. Friend is right to mention the success of the creative industries. With reference to our children, the industry must act responsibly—with respect to video games, for example. Such responsibility must accompany the success of the digital revolution.

Mr. Bradshaw: Indeed, and there are important provisions in the Bill that will help strengthen the protection of children in respect of video games, about which I shall say a little in a moment.

It is not ideal that the Bill is not likely to enjoy full debate through its Committee stages in the House, but at the end of a Parliament there are always Bills to which that applies. This was the case in 2005 with a number of Bills, including the Gambling Act, the Serious Organised Crime and Police Act and the Disability Discrimination Act, none of which was completely uncontroversial.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): Will the Minister give way?

Mr. Bradshaw: I give way to the Chairman of the Culture, Media and Sport Committee.

Mr. Whittingdale: I am grateful to the Secretary of State. I was the shadow Secretary of State during the wash-up last time, when the Gambling Act was considered. That Bill had undergone full scrutiny in Committee of the House of Commons. Can the right hon. Gentleman give an example of a major Government Bill that generates substantial opposition that has a Second Reading one day and goes into wash-up for completion the next day?

Mr. Bradshaw: I do not want to read out the entire list of Bills. I have a much longer list, but I will let the hon. Gentleman have it and he can refer to it in his speech, if he wishes.

If the Bill gets on to the statute book, it will be with the co-operation of the main Opposition party and, I hope, the Liberal Democrats and others too. One of the Bill's strengths is that most, if not all, of it enjoys a good level of cross-party support. If it did not, its prospects of surviving the wash-up negotiations that will take place between now and Prorogation would be slim indeed.

Mr. Tom Watson (West Bromwich, East) (Lab): Does my right hon. Friend agree that there might be a deal with the Tory Front-Bench and the Lib Dem Front-Bench teams, but that the 20,000 people who have taken the time to e-mail their MPs about the Bill in the past seven days are extremely upset that the Bill will not receive the scrutiny that it deserves and requires?

Mr. Bradshaw: We are all aware of the e-mails with which we have been inundated in recent days. I am sure my hon. Friend is also aware of the competing newspapers adverts today from the unions and trade organisations representing those who work in the creative sector who, with respect, probably number hundreds of thousands and feel it is important that the work that they create is not devalued by an issue that we will shortly discuss in more detail. They feel just as strongly that they need the legislation now as the people he mentioned think we should not pass it.

John Hemming (Birmingham, Yardley) (LD) *rose—*

Peter Luff (Mid-Worcestershire) (Con) *rose—*

Mr. Bradshaw: No. I shall make some progress. Many hon. Members want to speak in the debate, and if I take too many interventions, they will not get the chance to make their speeches.

It is not true to say, as some have claimed, that the provisions of the Bill have not already been the subject of considerable discussion. Many of them have been heralded for some time in the reports of Select Committees of both Houses, including our own Select Committee chaired by the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale). Many of them were contained in the Government's "Digital Britain" White Paper published last summer after a year's meticulous work by my former ministerial colleague, Lord Carter.

That report was subject to a full public consultation and rigorous scrutiny by the relevant Select Committees of both Houses. More recently, the Bill passed through the other place which, as I am sure hon. Members will recognise, contains a large number of peers who show a great interest in these matters. That is perhaps why the Bill took a month longer than we would have hoped to complete its Lords progress. It was debated for 12 full days—more than 50 hours—on the Floor of the other House, during which some 700 amendments were tabled. As my right hon. and learned Friend the Leader of the House reminded colleagues in Business questions, it had more debating time in the other place than any other Bill in this parliamentary Session.

Kate Hoey (Vauxhall) (Lab): Will the Secretary of State look back in history and see what happens to legislation that gets pushed through the House quickly, without consultation? It looks as though we could push some measure through—perhaps there will be a little stitch-up between the three Front-Bench teams—but out there, ordinary people, many of whom have only begun to realise the repercussions of the Bill, will feel totally let down by Parliament, just before a general election.

Mr. Bradshaw: With respect to my hon. Friend, I suggest that in her constituency many ordinary people, as she refers to them, who work in the film, TV and creative sectors desperately want this Bill, and their voices should be heard, too.

Several hon. Members *rose—*

Mr. Bradshaw: I give way to the hon. Member for Mid-Worcestershire (Peter Luff), the Chairman of the Business, Innovation and Skills Committee.

Peter Luff: Does the Secretary of State acknowledge also the role of the Department for Business, Innovation and Skills in this Bill and, in particular, the report that is tagged to this debate, the Committee's report on broadband, to which Ofcom has had the decency to reply in time for the debate, but to which sadly the Business Department, despite having a response ready, has not actually responded? It would have been good to have had this debate on the basis of the fullest available information, and I urge the right hon. Gentleman to reflect on the lack of detail available to Members in scrutinising the Bill.

Mr. Bradshaw: I am sure that the Under-Secretary of State for Business, Innovation and Skills, my right hon. Friend the Member for East Ham (Mr. Timms), will want to respond to the hon. Gentleman's point when he sums up at the end of the debate.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): Will my right hon. Friend give way?

Mr. Bradshaw: I shall give way one more time and then make some progress.

Alun Michael: Does my right hon. Friend accept that what is important in terms of this Bill is putting a framework into place, and that there needs to be a good deal of flexibility thereon? I heard one person this morning criticise the fact that Ofcom will produce guidance in consultation with the other parties, but I thought that that was a potential strength of the Bill.

Mr. Bradshaw: My right hon. Friend is absolutely right about that.

During the Bill's passage through the other place, 700 amendments were tabled. The Government listened to the concerns that were raised, and we either accepted a number of amendments or made some of our own. I hope that those hon. Members who have followed this discussion for some time will agree that, for the most part, the Bill has arrived here in better shape as a result. I can understand the frustration felt by colleagues that the parliamentary timetable means it unlikely that they will have the chance to get their teeth into the detail of the legislation as they would have liked, but I hope that the House will support the Bill's Second Reading and recognise both the importance of passing many of these measures now and the potential damage to our digital economy and our creative industries if we fail to do so and there is further delay.

Let me turn to the contents of the Bill. I have already outlined to the House the importance of the digital economy and our creative industries to Britain's economy. But, hundreds of millions of pounds a year is haemorrhaging from our creative industries because of unlawful file sharing, and that is not a harmless or victimless activity. It deprives our musicians, writers, film makers, actors and other artists of their livelihood, and if we do not do something about such activity it will pose a serious threat to our creative sectors and Britain's leadership in them. We believe that the provisions in the Bill balance protection for our creative artists with a fair deal for consumers without trampling on the openness that makes the online world the gateway to new experiences and greater democratic freedoms.

The Bill introduces obligations on internet service providers—the ISPs—to send letters to subscribers who are linked to an alleged infringement, and to record the number of notifications with which each subscriber is associated. Copyright owners will be able to apply for a court order to access the names and addresses of alleged serious infringers and take targeted legal action. We expect that those initial measures will be effective and anticipate that, on receipt of such letters, the vast majority of subscribers will seek legal alternatives. There is research and real-world experience to back that up.

The Bill also introduces a power to impose on ISPs a further obligation to apply technical measures against the most serious infringers. To give the initial obligations time to work, those measures cannot be introduced for 12 months from when the code comes into effect. Any decision to introduce them would be based on a careful examination of the evidence, including an assessment and a progress report from Ofcom. That includes looking to see whether copyright owners have played their part in relation to education and developing legal offers.

John Robertson (Glasgow, North-West) (Lab): Although I accept everything that my right hon. Friend says, and accept everything behind those comments, my great fear is that we will turn children into criminals. The Bill is not supposed to do so, but there is nothing in it to protect the child in such cases.

Mr. Bradshaw: With respect, I must say that my hon. Friend is wrong. The Bill does not contain any provision that turns children into criminals. The safeguards that I have already outlined, and will continue to outline, ensure that that is not the case.

The measures to which I was referring would be introduced only after warnings to subscribers and in conjunction with a clear route of appeal. Although a technical measure might include temporary suspension of accounts, it will not involve permanent disconnection—as has so often been misrepresented.

Mr. Mike Weir (Angus) (SNP): Will the right hon. Gentleman give way?

Mr. Bradshaw: I shall not. I shall make some progress if the hon. Gentleman does not mind.

I have focused on measures to tackle unlawful file sharing, but we have stressed all along the importance of developing legitimate paid-for downloading models. The problem, however, is that those will become widespread and sustainable only if there is a proper legal framework to tackle unlawful downloading.

Mr. Brian Binley (Northampton, South) (Con) *rose—*

Mr. Weir *rose—*

John Hemming *rose—*

Mr. Bradshaw: No, I shall not give way. Many people want to speak in this debate and I want to make progress so that they get the chance to do so.

Unlawful file sharing using peer-to-peer networks is not the only way in which copyright can be infringed online; according to industry estimates, about a third of current infringements are already carried out in other ways. Originally, the Government wished to future-proof the legislation with what used to be clause 17, which would have provided powers to take action against other forms of online infringement. That clause, however, was too much for Conservative and Liberal Democrat peers in the other place, who tabled a new clause 18 to allow site blocking. *[Interruption.]* The hon. Member for Bath (Mr. Foster) smiles, as well he might; he wrote the clause and has since disowned it. I shall come to that in a moment. The Government had problems with that clause for a number of reasons, as did both Opposition parties subsequently.

The hon. Member for Bath was so monstered at the Liberal Democrat spring conference for having proposed such a draconian measure that he did not even dare turn up—neither did his noble Friend in the House of Lords. They were both so monstered in their absence for having supported such a draconian measure that they now appear to have changed their whole position on the Bill. No doubt the hon. Gentleman will explain himself in due course.

To accommodate the changing positions of the Opposition parties, we have drafted the current clause 18, which is far more proportionate than what was suggested by the hon. Gentleman. It would require full consultation and the approval of both Houses by super-affirmative resolutions. I hope that that will meet the approval of the House.

One of the other big challenges that we face in the digital age is how to protect and guarantee television and radio content that the public want and value. As has been highlighted again today by the Select Committee report, the issue is most acute in the case of regional news on ITV in England and ITV news for the nations in Scotland, Wales and, to a lesser extent, Northern Ireland. The Bill will secure the future of quality news on ITV in the regions and nations of the UK.

Just before Easter, I was delighted to announce the three preferred bidders for pilots for these new independently funded news consortiums in Scotland, Wales, the north-east of England and Scottish borders. I deeply regret the position that the Conservative party has taken on the issue. I do not know anyone in the media world who believes that the market will secure the future of the quality TV news that the public expect. At this late hour, I appeal to the shadow Secretary of State for Culture, Media and Sport to think again before he signs what could be the death warrant for plurality in the regions' and nations' news.

Other measures in the Bill are aimed at securing a healthy and diverse future media landscape and include an updated remit for Channel 4, ITV and Five, so that they can respond more flexibly to changes in the market and people's viewing habits.

The Bill not only deals with the creative and broadcasting content that we value; it also helps to modernise our digital infrastructure. The switchover to digital radio has probably aroused more interest than any other issue in the Bill except that of unlawful file sharing. The target date of 2015, set by the Government, is an incentive not an ultimatum. We have made it clear that a decision on digital switchover will not be made until national DAB coverage is comparable to that of FM, until local DAB reaches 90 per cent. of the population and all major roads and until 50 per cent. of listening is through digital means. Once all those criteria have been satisfied, there will be at least two years before switchover takes place, at which point we expect coverage and listening to reach nearly universal levels—that is, about 98.5 per cent. judged by television reach.

The Bill also implements the recommendations of Tanya Byron on the classification of video games, an issue referred to a little earlier. It enhances Ofcom's duties on investment in infrastructure and public service media content. It provides the regulator with additional powers to support the modernisation of the mobile network spectrum. It supports the efficient and effective management and distribution of internet domain names and updates the regulation of copyright licensing and public lending rights for the digital age. The Bill will ensure that Britain's digital economy and creative industries can build on their success, continue to thrive and lead the world. I commend it to the House.

4.44 pm

Mr. Jeremy Hunt (South-West Surrey) (Con): This afternoon, on the very day when time has finally been called on a weak, dithering and incompetent Government, we are faced with a weak, dithering and incompetent attempt to breathe life into Britain's digital economy. One does have to admire the Government's chutzpah, because one of their five key election pledges is apparently to build a high-tech economy. This afternoon the country will be able to judge them by their record, because we have an entire parliamentary Bill setting out their vision—one of the very last that this Parliament will debate.

Instead of a big, ambitious vision for this country, we have a digital disappointment of colossal proportions. As well as the controversial measures it does contain, we should not forget what it does not contain, because it is a catalogue of ducked decisions. The Government have ducked sorting out digital radio switchover, which the Secretary of State has just talked about. They are giving Ministers the power to switch over in 2015, yes, but without taking any of the difficult measures necessary to make it practical or possible. They have ducked reforms to help our struggling local newspaper and radio sector, when local newspapers are closing every week and local radio stations are losing so much money that their very existence is being cast into doubt.

The Government have ducked reforms to give Britain a credible path towards super-fast broadband, leaving us languishing with one of the slowest broadband networks in the developed world. They have ducked public service broadcasting reform, failing both to clarify the limits to commercial activity by the BBC and to ensure that it has strong competition from an independent sector that will still be burdened by outdated regulation.

David Cairns (Inverclyde) (Lab): Will the hon. Gentleman take this opportunity, then, categorically to rule out the privatisation of Channel 4 if his party is returned to power?

Mr. Hunt: I am very happy to give that assurance, because we want Channel 4 to provide strong competition for the BBC for the type of programmes that the market will not provide. We are one of the few countries in the world that has such competition in the non-commercially viable parts of the sector. Channel 4 was set up by the last Conservative Government and we are proud to have done that.

One final thing that the Government have ducked, which is incredibly disappointing, is the possibility of giving the public a right to access Government data sets, which was mentioned in the "Digital Britain" White Paper, and which President Obama has successfully introduced in the United States. It would have been a huge leap forward for our digital economy for people to be able to access those data.

John Hemming: I refer the House to my declaration of interests, which refers to my rather minor activity as a music publisher, among other things.

Does the hon. Gentleman agree that in allowing the copyright that local authorities often require for Freedom of Information Act purposes, the Government have gone one step worse? People can be cut off for looking up freedom of information on the net.

Mr. Hunt: I share the hon. Gentleman's concerns. The presumption should be that the public have a right to see Government data sets unless there is a very good reason why they should not. Allowing members of the public to mine those data has huge potential in all sorts of ways.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): On the subject of the Government ducking issues, does my hon. Friend not feel that it is incumbent on them to outline exactly which elements of the Bill will be subject to the super-affirmative procedure that the Leader of the House referred to earlier?

Mr. Hunt: My hon. Friend is absolutely right, and there is another reason, which I shall come to in a minute, why we need to be clear about what safeguards the Government are going to put in place.

Peter Luff: I cannot resist the pun: another of the ducked decisions is on ducts. Is my hon. Friend aware that access to ducts other than BT's—for example, waterways and sewers—is currently outside Ofcom's powers? Its response tells us that

"regulatory intervention in relation to infrastructure beyond the telecommunications sector would be a matter for the Government."

The Bill should be explicit about that, to achieve the investment in broadband that we want.

Mr. Hunt: My hon. Friend makes a very good point, and indeed the Select Committee on Business, Innovation and Skills, which he chairs, wrote an excellent report on that very topic. If we are to stimulate investment in next-generation fibre networks, we need to break open all the infrastructure monopolies, whether on pylons, water mains or sewers, not just those on BT's ducts and pipes. That is the only way that we can stimulate such investment, and it could have been in the Bill, because it requires primary legislation. It is not: another opportunity has been missed.

All too often, where the Government have suggested change they have resorted to the Labour comfort zones of tax, regulation and subsidy as the answer to every problem. On tax, there is a phone tax to pay for next-generation broadband, which means that older people who do not use the internet will be paying for younger people who want faster connections. Even on the Government's own figures, such a tax would put 200,000 people off taking up a broadband connection. On regulation, the Government's reliance on Government levers is so heavy that Ofcom is mentioned 187 times in just 50 clauses of this Bill.

Mr. Siôn Simon (Birmingham, Erdington) (Lab) *rose—*

Mr. Hunt: I shall give way in a moment. On subsidy, we find the misguided attempt to prop up ITV regional news by tapping into the BBC licence fee. As a former US President once said, the trouble with government is that it always thinks:

"If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidise it."

We find the same thing in this Bill: new Labour, new taxes; new Labour, new regulation; and new Labour, new subsidies. New thinking this is not; nor is it a new economy.

Mr. Watson: I am sure that the hon. Gentleman would wish to acknowledge the great progress that has been made on data sets. Just last week, Ordnance Survey released its geo-spatial data, which are the jewel in the crown for the Free Our Data campaign; I know that he would wish to give credit for that. Even at this late stage, is he determined to collude with the Government in forcing through the copyright infringement parts of this Bill?

Mr. Hunt: First, I should say that I am prepared to concede that some progress has been made in opening up Government data sets, but the process needs to go much further. The law needs a presumption that the public can access those data, rather than a presumption that they cannot unless there is a very good reason for them to do so; a big psychological shift needs to take place.

There is no question of our party colluding with the Government. We have examined this Bill clause by clause, and we agree with the hon. Gentleman that it could have been massively improved had this House been able to give it proper scrutiny in Committee. The Government have had plenty of opportunities to allow such scrutiny, and it is a matter of huge regret that we have not been able to provide it. This concern is shared by the hon. Member for West Bromwich, East (Mr. Watson), by my hon. Friends the Members for Maldon and East Chelmsford (Mr. Whittingdale) and for Mid-Worcestershire (Peter Luff)—the Chairs of the two Select Committees—and by many other Members in this House.

Mr. James Arbuthnot (North-East Hampshire) (Con): Is there not one other thing that the Secretary of State ducked: an explanation of why this Bill has been started so late in this parliamentary Session, which means that we have to rush it through? The Bill includes the stuff about orphan works, which for some reason the Secretary of State did not mention, and for which he has given no explanation whatsoever?

Mr. Hunt: As ever, my right hon. Friend makes an important point. Orphan works legislation is incredibly important, because there is a potentially huge benefit in being able to unlock for the public archives such as those of the British Library, the BBC and universities, but there is a big problem in establishing the ownership of the rights to those works. This Bill was an excellent opportunity to sort out that problem, but under its provisions as drafted, it would be possible for someone to remove an image and all its identifying marks, and for that image then to end up being pirated all over the world. Again, these provisions could have been sorted out and improved by proper scrutiny in Committee in the House of Commons.

Dr. Julian Lewis (New Forest, East) (Con): I am delighted that my hon. Friend has drawn attention to that matter. I know that the photographic industry is terribly concerned that there is no way in which a photograph on the internet can be protected from having its provenance removed. It seems that there is a culture of, "Use it now and pay later—if you're found out." That will deter photographic agencies from putting their data on the internet in the first place.

Mr. Hunt: My hon. Friend is absolutely right, and that is why we cannot support clause 43. We would like to support the objectives of that clause on orphan works, but unintended consequences occur unless the wording is right, as the hon. Member for Vauxhall (Kate Hoey) pointed out. The question is: why has a debate on such a crucial Bill been left to the very last minute? The Government could have brought this Bill before Parliament ages ago, because these issues have been in the public domain for years. Dr. Tanya Byron, whom the Secretary of State mentioned, told the Government two years ago that a new age-rating system

for video games was needed. The Gowers review of intellectual property is so old it is practically out of copyright. Ofcom wanted the Government to establish a new model for public service broadcasting regulation six years ago, but as the Government have progressively run out of steam, we have had a lighter and lighter parliamentary timetable, and instead of getting on with it, we have had endless dithering and prevarication.

Mr. Roger Gale (North Thanet) (Con): In business questions, I raised the point that the wash-up is supposed to be for non-contentious material. I do not for one moment believe that my hon. Friend has colluded with the Government; that is not his nature. A small—indeed, pitiful—amount of this very modest Bill is acceptable to probably everybody in the House. However, it is not satisfactory for a Bill to be effectively rewritten and subjected to a super-affirmative resolution. Would it not be better for him to resist the bad bits of the Bill in their entirety and let a new Conservative Government bring in a decent Bill?

Mr. Hunt: I share my hon. Friend's concerns, and the principles that he has outlined are, broadly speaking, the principles that we have been following. I think that he will understand, however—I have spoken to him about this—that we cannot reject the Bill in its entirety, because it contains some very important measures. However, I shall come on to talk about what we will do with some of the more contentious areas in the Bill.

Mr. John Redwood (Wokingham) (Con): I think what people outside the House want is an assurance that the good, as well as the bad, will be properly scrutinised. If this miserable Government cannot plan the timetable to give us that time, why can my hon. Friend not offer us that pledge, on the assumption of a Conservative victory in the election?

Mr. Hunt: We are stating categorically that we reserve the right to review anything that becomes law as a result of the wash-up, if we win the next election, and we will indeed review it, if it turns out that the legislation is flawed. However, the country and the digital industries that the Secretary of State talked about are in an invidious position. Legislation is urgently needed to protect jobs, and their competitive position. It has taken this Government 13 years to bring these issues before the House, and the industries are worried that if the whole thing is killed now, they might again have to wait a very long time, and that their competitive position will be eroded.

The Government have left industry in an extremely difficult position. My particular bugbear is their obsession with consultations and reviews. We have had two public service broadcasting reviews, and two consultations on community radio, two on the phone tax, two on product placement, one on video games, one on regional news, one on listed events and one on spectrum. When Stephen Carter took over the broadcasting and communications brief, we hoped that that might change, but when he published his "Digital Britain" final report we had another 12 consultations, and even he, despite having accepted a peerage, was not prepared to stay even 12 months to see his report turned into legislation.

We agree with the Secretary of State about the critical importance of the digital and creative industries—the largest independent television production sector in the world, the second largest music exporter in the world and, depending on how we measure them, the third largest film and video games industries in the world. When we desperately need to rebuild a broken economy in proven areas of British competitive advantage, what way is this to treat those industries, and what way is this to treat Parliament—denying us the chance to debate, scrutinise and amend this vital legislation?

Mr. Binley: My hon. Friend is a great supporter of the music industry, which at the moment is losing about £200 million a year from illegal downloads, but receiving very little help from the service providers. Will he give an undertaking that when he is the Secretary of State, he will ensure that the cost of informing infringers is shared more fairly—perhaps on a 50:50 basis—to protect artists' rights, and that we do more in that respect?

Mr. Hunt: My hon. Friend is right to draw attention to the issue of costs, because that is very important. There is a need for responsibility on both sides of this debate. Internet service providers have to recognise that they have a critical role in tackling digital piracy, and it is not satisfactory for them just to say that they are a mere conduit and can have no responsibility for what is carried on their networks. On the other hand, however, the legal costs of securing court orders must be borne by the rights holders, whether in the music, film or sports industries, because they are the ones with the commercial interest in ensuring that digital piracy is stamped out. So getting that balance right is one of the areas of which it would have been good to have had much more scrutiny.

Mr. Cash: In relation to the clauses that deal with infrastructure, does my hon. Friend agree that there is a serious problem with the basic question of digging holes? All over the country, holes are being dug without the necessary degree of coherence to facilitate movement on our roads. Does he agree that if we had the chance, we would introduce measures to bring coherence to the public utilities' street works codes?

Mr. Hunt: My hon. Friend makes an important point, and I commend to him what the Mayor of London has done to try to bring order to that particular element of chaos.

I want to say plainly to the Government that, while we recognise that some parts of the Bill will have to be let through if we are to avoid serious damage to the economy, other parts of it are totally unacceptable, and we will use every parliamentary means at our disposal to remove them. They include the additional duties for Ofcom, which are at best unnecessary and at worst completely distorting. For example, the duty to promote investment in communications infrastructure is already covered by the Communications Act 2003. Indeed, following a year-long campaign by the Conservatives, with support from the Select Committee, Ofcom did precisely that by announcing a consultation to allow other people access to BT's ducts and poles in order to lay super-fast broadband fibre. However, there are no measures in the Bill to broaden that access to sewers, water mains and electricity pylons. Where are the measures to make it

[Mr. Hunt]

easier to get planning approval for fibre? Where are the proposals to regularise business rates so that they do not discourage investment in fibre? They are not in the Bill. For this Government, the answer is not to do something but to lay yet another regulatory duty on Ofcom. In this case, that duty is unnecessary, bureaucratic and costly, and it will go.

John Robertson: It is not for me to give the hon. Gentleman a history lesson, but he might perhaps remember what happened when the Conservative Government completely tore up the road works legislation so that the Clyde cables could be put into the ground. That played havoc with the streets of Glasgow, and even today we have roads that have never recovered from what his party did to the infrastructure of the area, thanks to all the cable and TV people.

Mr. Hunt: All I would say to the hon. Gentleman is that, thanks to the actions of the last Conservative Government, we now have a cable network covering half the country that has not cost the taxpayer a penny, a satellite network covering the whole country without any cost to the taxpayer, and a deregulated telecoms infrastructure that has made our international calls the cheapest in the world. That is all because we understand how proper regulation can work.

Another part of the Bill that is totally flawed covers the Government's plans for regional news. The Bill makes provision to subsidise ITV regional news by accessing the licence fee. Our starting point has to be, however, that our local media are in crisis, that newspaper and commercial radio groups are under severe pressure, and that we have never had proper local television in this country. London, Ontario has two local TV stations, despite being one twentieth the size of our London, which has none. Birmingham, Alabama has eight local TV stations, despite being only a quarter the size of our Birmingham, which has none. So will the Bill sort that out? No, it will not. Instead, Government subsidies will solidify the old, failed regional news model, encouraging media groups to put all their energy into lobbying Ministers for more subsidy, rather than finding models that attract viewers and listeners in the marketplace. Instead of measures to stimulate investment, innovation and change, the Bill proposes plans for regulation and subsidy that are so flawed that even ITV now thinks they will make a bad situation worse. ITV is right, and that clause will go.

We have already mentioned another fundamentally flawed proposal—clause 43, which deals with orphan works and extended licensing. These measures have the right intention, and with proper scrutiny could have yielded huge benefits for consumers and authors alike.

Kate Hoey: Will the shadow Secretary of State reiterate a point? He probably realises that the UK photography industry has got together, is well organised and is keen to work with the Government to secure legislation that is right; what they do not want is something to be pushed through. Will the hon. Gentleman reiterate what I thought I heard him say earlier—that the Conservative Front-Bench team would not allow clause 43 to go through?

Mr. Hunt: I am happy to reiterate my opposition to clause 43, and to say that we are not prepared to let it through as part of the wash-up process. What is needed is a proper reform of copyright law, and my hon. Friend the Member for Windsor (Adam Afriyie) has said that under a new Conservative Government he will ensure that such proposals are put before the House. Let me provide an example of where this is already going wrong. An image of none other than the great Lord Mandelson himself is apparently being used to market a Russian vodka, with the caption, "When only the best is good enough". If ever we needed proof that captions to pirated images can be misleading, surely that is it. We cannot support these measures as they stand—but what an opportunity has been wasted.

Fiona Mactaggart (Slough) (Lab): The hon. Gentleman has been explicit in saying that his party will resist clause 43, and some other parts of the Bill, in the wash-up. He has not been explicit, however, about clauses 10 to 18. If I understood him correctly, he said that if they did not work he would change them when the Conservatives were in government. Can he therefore explain the difference?

Mr. Hunt: I absolutely can explain the difference. The measures to which the hon. Lady refers are so critical for the 2 million jobs of people employed in the digital and creative industries that there would be an economic cost if we were to delete all the relevant clauses there. I would not want to look those people in the eye and say that we had done nothing to help them. These measures are imperfect and I am concerned that they will not be effective, but I am satisfied that on the balance of our responsibilities to the people working in these industries, the sensible thing to do is to let them through but give a clear undertaking that if a Conservative Government are elected, we will amend, change or delete measures as necessary with the utmost speed, to ensure that they do not do the kind of damage about which I know hon. Members throughout the House are concerned.

Mr. David Davis (Haltemprice and Howden) (Con): I am full of admiration as my hon. Friend has striven to make the Bill workable, but I am still concerned about the unintended consequences highlighted by the hon. Member for Vauxhall (Kate Hoey). Is he saying that he is going to allow these elements of the Bill through, but then, if the Conservatives are in government, create a new parliamentary opportunity to review them, or is he going to take a chance on them not working? I have to say that if it is taking a chance on them not working, I will not vote in favour of the Bill.

Mr. Hunt: I am grateful to my right hon. Friend for his intervention. I share his concerns about the process, but if he looks at the measures he will see that there are quite long time gaps before it will be possible for a Secretary of State to lay regulations before the House to allow, for example, for the suspension of internet accounts. There is a period of time during which we can come to understand the likely impact of these regulations and how they could be framed in order to avoid unintended consequences.

One thing that particularly concerned me about the drafting of the regulations at an earlier stage was the chilling possibility that a rights holder could contact an internet service provider directly and say, "We're concerned

about this website. If you don't block access to it we'll get a court order, and you'll be lumbered with the costs because you haven't behaved reasonably." My hon. Friend the Member for Northampton, South (Mr. Binley), who was here earlier but is no longer in his place, raised the issue of costs. It is very important to frame costs issues so that only where a court order has been properly obtained—in other words, where there has been due process—could access to a website be blocked. To answer my right hon. Friend's question, yes, we absolutely are making a commitment that if these regulations are flawed and have unintended consequences we will bring measures before the House as a matter of urgency; it is incredibly important to get them right.

Mr. Don Foster (Bath) (LD): I note the hon. Gentleman's point about ensuring that if these measures go ahead the regulations that follow will have to be absolutely right. Does he therefore agree that clause 11 should include a requirement for a super-affirmative resolution, not only stipulating that there must be more consultation but providing an amendable resolution for the new House then to be able to consider and, if necessary, amend?

Mr. Hunt: I would like to know whether the hon. Gentleman is asking for a super-affirmative resolution on the clause that his party proposed in the House of Lords but is now campaigning against, because I am not sure that the original intention behind super-affirmative resolutions was to clear up the mess caused by Liberal Democrat YouTube U-turns. However, we want proper safeguards for all these measures, and particularly measures involving copyright infringement, because we have to ensure that they are used only in extremis.

Robert Key (Salisbury) (Con) *rose—*

Mr. Hunt: I shall give way, but for the last time.

Robert Key: Is my hon. Friend content with clause 31, on the digital switchover? It is estimated that the costs to the consumer will be £800 million, and there is no sign of manufacturers of DAB radios producing cheap radios, no estimate of the cost of throwing away millions of existing FM sets, no sign that the motor car industry is going to come up with the goods—*[Interruption.]* A Labour Back Bencher says, "Yes there is," but I have read all the papers and although there are one or two pious hopes, there is nothing more than that. This will be extremely expensive, and the 2015 deadline is unattainable. Is my hon. Friend content, therefore, or will we make some further promises?

Mr. Hunt: I share my hon. Friend's concerns, because I think that clause is so weak that it is virtually meaningless, as it gives the Secretary of State the power to mandate switchover in 2015 but the Government have not taken the difficult steps that would have made that possible, such as ensuring that the car industry installs digital radios as standard, as my hon. Friend suggests, and that there is proper reception on all roads and highways. As a result, a lot of people are very concerned that 110 million analogue radios will have to be junked in 2015. In particular, I would have liked the Government to find out whether we could move from DAB to the DAB plus technology, which most people think will be far more effective. If they had done that, this measure would not threaten smaller local radio stations.

Mr. Simon *rose—*

Mr. Hunt: I will give way to the former Minister with responsibility for creative industries, and then I will make some progress.

Mr. Simon: Given the hon. Gentleman's desire to move to DAB plus, what does he suggest the 8 million people in this country who have bought very expensive DAB radios should do?

Mr. Hunt: First, let me say that when the hon. Gentleman stepped down as Minister for the creative industries, it was a great shame that he was not replaced. It would have helped in the sensible framing of the Bill if we had had a Minister with that responsibility now, but there is none. The answer to the hon. Gentleman's question is simply this: when we migrate from one technology to another—whether analogue to DAB, or DAB to DAB plus—we need some kind of help scheme, as we have with TV digital switchover, but there is no mention of a help scheme in this Bill. That serves to highlight why the Government have ducked the important decisions.

I conclude by talking about what this Bill should have contained. It should have asked one simple question: what needs to be done to stimulate investment in Britain's digital and creative industries by both domestic and international companies? Companies that thrive in the digital world tend to be small, nimble and fleet of foot. They thrive on competition and deregulation, not subsidy and regulation. A Conservative Government will end the micro-regulation of the broadcasting sector. We will stimulate investment in a new generation of local television, radio and newspaper companies by removing the cross-media ownership rules at the local level. Because we want these companies to employ more people, we will reverse the tax on jobs—the national insurance increase—that the Government plan, and we will go further, encouraging job creation by ensuring that start-up companies need pay no national insurance at all on their first 10 employees for the first year.

We will reduce corporation tax by simplifying complicated allowances, aiming for Britain to have one of the most competitive tax rates in Europe. That will help all companies, but in the creative and digital space people need something more—a proper digital infrastructure. By considering some of the recommendations of the Select Committee on Business, Innovation and Skills, we will deregulate access to BT's ducts and pipes, as well as water mains, sewers and pylons, and stimulate investment in next-generation broadband by other players, not simply depend on BT. Where the market will provide, we will let it; where it will not, we have said we will continue the levy on the licence fee that is currently imposed for digital switchover, to ensure that no one is left out of the digital revolution, especially in rural areas.

In short, we could have had a proper Digital Economy Bill. We wanted an iPod, but we got an Amstrad. We wanted digital switchover, but we ended up with analogue switch-off. It is time to reboot Britain, and only the Conservatives can deliver that.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. I remind all right hon. and hon. Members that Mr. Speaker has imposed a 12-minute limit on Back-Bench contributions.

5.15 pm

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): The hon. Member for South-West Surrey (Mr. Hunt) ended his speech by referring to the fast-moving and nimble industry, and he is right in that. In my short speech I want to refer specifically to internet-related and people-related issues, and to what is and what is not in this Bill, as good governance of the internet and the part that legislation and regulation should play have been of great interest to me in recent years.

Perhaps I should explain that the word "interest" does not mean that I have any personal interest in these issues, but that some of the costs of travel in putting the British Parliament and the UK in general at the cutting edge of internet governance have been met by Nominet, the not-for-profit company that is the UK's domain name registry, and by EURIM, the not-for-profit company that brings together parliamentarians and industry in large numbers to address the public and industry interests in information and communications technology issues and that works with other all-party groups for that purpose.

I welcome the framework for domain name registration offered in the Bill and I note specifically that an undertaking was given in the other place that the powers that are given to Government would be used only if necessary. I hope that my right hon. Friend the Financial Secretary to the Treasury will reinforce that undertaking when he sums up the debate.

My interest arises simply because the internet is now enormously important to every single one of us, whether we are technically minded or not and whether or not we use the internet. I want our children and grandchildren to be safe users of the internet and I want people to feel safe, which is essential if we are to overcome the growing digital divide. If we are to bring that about, we need standards of behaviour on the internet, just as we do in the real world.

Such standards need to be underpinned by legislation, which is why I welcome the Bill, but I also want to warn against the drift into overreliance on legislation which has bedevilled us in how we have dealt with bad behaviour in the real world for decades, if not centuries. That is not a new idea. Gibbon, in "The Decline and Fall of the Roman Empire", told us that laws rarely prevent what they forbid. As a legislator, it seems to me that legislation is precious and should be used sparingly and flexibly. The internet is so fast, so pervasive and so international that firms are often making profits now from products that they had not even started to design only a few months ago. That means that legislation will find it extremely difficult to keep pace. We, as legislators, need to adopt a different approach to deal with those issues.

The Bill meets my criteria, because it includes necessary elements but demonstrates potential for flexibility. That is important because of the wide-ranging nature of activity. Ofcom has been very successful in working with industry, in working in the interests of the public and of business, and in teasing out ways of making changes over time.

The "Digital Britain" final report, last July, was an enormously ambitious project that sought to bring together a huge number of strands—indeed, some nine or 10 Government Departments—on a range of issues which are almost as broad as the whole statute book and not just a single Bill. When I dealt with the Company Law Reform Bill—the biggest Bill in history—I thought that was complex, but the internet and the issues that are dealt with in "Digital Britain" are far more complex. In that regard, I am pleased that not all of that scope is being approached through legislation. We need flexibility and, I suggest to my right hon. Friends on the Front Bench, not so much consultation, but partnership. We need to bring together those who have a part in industry, users and those who are developing usage, to deal with complex issues in a speedy way that reflects change over time.

There are some enormously important matters of definition behind the Bill's content. There is the question of how its measures will affect small businesses, hotels, community centres and libraries—the sort of organisations that provide internet access. Those places are vital to getting people connected, to bridging the digital divide and to people who travel and move around a great deal. They are sometimes a lifeline for internet users who cannot afford their own dedicated connection and equipment. What does the legislation mean? There are a number of technical measures that public access organisations can take to protect themselves partially, but they are expensive, difficult to manage, restrictive and not difficult to circumvent. Many places may simply withdraw access rather than risk going to court or having to spend a great deal of time, effort and money on restricting or modifying their networks. That is an important point, because the greater the restrictions and the limits on flexibility, the more we build in and continue the dangers of the digital divide. A Minister in the other place sought to reassure people regarding these issues, but they still cause great worries. I ask the Government to address that area, not necessarily through over-meticulous regulation, but by working with industry, users and the sorts of organisations I have mentioned—they could use the internet crime reduction partnership, which I chair—to design solutions. Let us have co-operative solutions. Let us do this together and recognise that too much legislation, and definitions that are too narrow, might produce obstructions.

That different model has been tried and tested. We saw in the blocking of child abuse sites—I do not use the word "pornography", because we are talking about the abuse of children—the great danger of an impetus towards instant legislation. People get angry about that sort of issue and say that there ought to be a law against it. Why has there not been a law? It is partly because the activity itself is illegal and partly because people recognise the complexity of dealing with the internet in that regard. What we have seen in that area is a consensus that was achieved in partnership, going back to the very last days of the previous Conservative Government. It started with industry working with the Government; Parliament providing engagement across parties; children's charities showing enormous leadership; and, particularly—not necessarily immediately, but after time—the full engagement of the industry. The conclusion that has been drawn from reviewing that activity is that we achieved far more together, in a year or so, than we could possibly have achieved in 10 years of simply using a legislative and regulatory approach. That is a good lesson.

It might be comparatively simple to get unity of purpose against child abuse, as it is one of the simplest things to deal with, but agreement on issues of regulation

and other aspects of internet use is far more complicated. However, that does not mean that we should not put our energies in that direction and seek to achieve an approach to regulation, legislation and good behaviour that depends on people working together co-operatively—in a consensus or coalition of the willing—against those who would damage industry, society and our infrastructure. We know that those people are out there and are acting in great numbers at the present time.

I support the Bill, but I call on the Government to reform the way that, going forward, its internal governance is undertaken. There is a tendency at the end of a piece of legislation to disband the Bill team and have new people writing the regulations. Instead, I hope that the Government, industry and users—wider civil society, as it might be called—will work together to ensure that we get something that matches the internet's speed of development and international reach.

In the internet's early days, there was a mythology that it would be characterised by absolute freedom, but that idea was as fragile and unrealistic as the talk of freedom of behaviour in the 1960s. An enormous amount of internet-related activity is based on trust and the quality of relationships. We need to interfere as little as possible with the energy, creativity and imagination that has driven the internet since its birth. My plea is for a light touch from the Government, and for careful work in the international dimension to achieve the necessary protections mentioned by my right hon. Friend the Secretary of State when he introduced the Bill today, without slowing the speed of growth and development, or the development of imagination and creativity.

I heard one critic complain this morning that all the detail would not be in the primary legislation but would be left for Ofcom in developing guidance. That is true, and legislators are of course fearful when that is the case, but it is also a great reassurance. It offers a new way of doing things if we can avoid the temptation to fall back on Whitehall's traditional approach of definition from the centre, and look instead to securing greater engagement from the creative individuals across industry and business who have such a great part to play.

Ofcom has demonstrated a capacity to work in that way. I hope that the Minister who sums up the debate will indicate that expectation of how Ofcom and Government Departments will use the powers available to them under the Bill. If that is the case, I will be happy to support the Bill going through into legislation.

5.26 pm

Mr. Don Foster (Bath) (LD): It is totally inappropriate for a Bill as important as this to be given so little time for debate in this House. I should remind the House that it would have been possible to handle this rather differently. After all, there were lengthy deliberations in another place, but all stages were completed some three weeks ago, on 15 March. Since then, there have been many days when we could have debated the Bill, and I am particularly mindful of the fact that the business allocated by the Government's business managers collapsed early on a number of those days. Surely that is another reason why it would be a good idea to have a Back-Bench committee deciding the business of the House.

Notwithstanding my concern about that, I reject the view expressed by some that only a few elements of the Bill have universal support and are not especially contentious. In fact, I believe that large chunks of the Bill are important but not controversial, and that they should go through. An example would be the proposal, to which reference has already been made, to change the power of the Secretary of State in relation to internet domain registries. Another example, which has not been mentioned so far, is the proposal to extend the remit of Channel 4.

Another example that has been touched on but not developed is the proposal to adopt the pan-European games information classification system for video games, and another that has not been mentioned before is the proposal to change the definition of public lending rights to include audio books and e-books. All those important measures, and many others, are in the Bill. There is a great deal of support for them, and I hope that we will find a way to get them through.

I do not want to go into detail about any of those proposals, but the one to extend the remit of Channel 4 is particularly important. Clauses 22 and 23 are designed to update Channel 4's remit to reflect the changing nature of public service broadcasting in a digital age. The House should recall that, when it was launched, Channel 4 was a single, analogue, linear television channel, whereas today it has a suite of channels and services that includes E4, Film4 and channel4.com.

Mr. Redwood: Is it not an unprecedented discourtesy to the House of Commons for a Government to introduce the Second Reading of a substantial Bill after they have announced that we need a general election? What kind of treatment of the House of Commons is that?

Mr. Foster: I agree entirely with the right hon. Gentleman. As I pointed out earlier, given the enormity of the Bill and the important provisions it contains, it would have been perfectly possible to timetable it much earlier so that we were not in the difficult situation in which many of us now find ourselves. However, that does not prevent us from getting on with some of the important provisions, not least in relation to upgrading the remit of Channel 4.

It is worth reflecting that nothing commissioned by Film Four—from "My Beautiful Launderette" to "The Last King of Scotland"—has ever formally counted towards Channel 4's public service delivery, yet the channel has been a huge catalyst in developing the creative industries in this country and the Bill now makes it a formal requirement that the role be continued. It also makes it a requirement that Channel 4 make a contribution in the crucial area of children's broadcasting. I welcome that element of the Bill.

Mr. Siôn Simon (Birmingham, Erdington) (Lab) *rose—*

Mr. Foster: I give way to the hon. Gentleman who served valiantly as a Minister for a brief period on this important issue.

Mr. Simon: Having spoken so eloquently and rightly about Channel 4, will the hon. Gentleman say a few words about the new powers for the Secretary of State to vary the public service licence obligations of Channels 3 and 5?

Mr. Foster: I will, in so far as to say that as we move into a digital era, updating all those things is crucial, which is why it is important that elements in the Bill covering such issues should be allowed to go ahead.

It is equally important to acknowledge the need to move forward in respect of radio services, and not just concentrate on television.

Mr. Watson *rose—*

Mr. Foster: I give way to another hon. Member who has worked hard in that area.

Mr. Watson: The hon. Gentleman is a great man. I find it ironic that I so often follow him these days. He says that there is a great deal of consensus on the Bill among the three parties. If so, what is the hurry? Why do we not just deal with it straight after the election? We could do it consensually and have a proper debate.

Mr. Foster: The hon. Gentleman would be right if I had total confidence that whoever formed the next Government would find time to start the whole process all over again. Where there is consensus—a word used by the Leader of the House earlier—it seems sensible to move forward and get those provisions on to the statute book. We could then have deliberation and debate about the controversial issues and how to progress with them. When there is consensus we should definitely be moving forward.

Notwithstanding the many concerns that have been raised over the past few months about the move from analogue to digital radio, broadly speaking there is now consensus about that measure. The Secretary of State has laid down clear criteria that have to be met on listenership and coverage before the two-year starting pistol can be fired. Of course, there have been concerns. For example, some people thought that FM would be dropped, but we know that it will not be dropped; indeed, FM could become a new vibrant platform for local and micro-local radio stations and given more power. Possibly, Ofcom could start to give them even longer licences. With all the conditions that have been inserted, that is another exciting provision that we should acknowledge and accept so that everyone can have the real benefits of the digital radio era, in terms of greater interactivity and so on.

The Government have done a disservice by failing to promote the real benefits of digital radio as effectively as they could. It is not surprising that the Committee in their lordships' House castigated the Government for their failure. The industry could have done more. It is a pity that it has taken so long for FM to be included in all the DAB radios now on sale. It is only very recently that we have heard of the launch of the mechanism that will ensure people can have a single tuner covering DAB and FM—a single EPG, or electronic programme guide. That is welcome, but the work could have been done sooner.

There is controversy about some aspects of the Bill, some of which relates to the independently funded news consortiums. On the Liberal Democrat Benches, we welcome the trials that are taking place to find new and imaginative ways of filling the gap that is being created on the ITV regional news platform.

Those who have bid to become involved in the trials have already made some imaginative proposals. However, the Bill will merely give a power to a future Secretary of State to roll that out more widely if, first, an acceptable source of funding can be found and, secondly, the Secretary of State agrees to do so. I fail to understand why the Conservative party is so adamant about deleting that part of the Bill, because it does not need to do so. It could let the trials roll on, and if it is not satisfied with their outcome, it need not have a wider roll out, so the Liberal Democrats will certainly do everything that we can to help that part of the Bill to pass. I hope that just because the Conservatives are unhappy with the proposal, the Secretary of State will not suddenly roll over and say that he will drop it, because I think that, together, we can get it through.

David Cairns: Does the hon. Gentleman agree that the Conservative party's position had some intellectual coherence when it was predicated on the notion that it would not touch the underspend in the digital switchover element of the licence fee, because that had to be returned to the licence fee payer? The Conservatives have now abandoned that principled position and will use that underspend for super-fast broadband roll out, which makes a complete mockery of their previous principled position.

Mr. Foster: There is a slight mockery in respect of the Conservative party's position on BBC funding. The House will recall that, not so long ago, the Conservatives proposed that the annual licence fee uplift be frozen, but a few months later they said they did not want to interfere in the long-term setting of the licence fee settlement. They then told us that they were not going to touch the underspend on the targeted assistance scheme, but now they are doing so. Finally, they said that no money would be needed to support the roll-out of broadband, but suddenly, having opposed the Government's use of top-slicing a licence for one project—in this case, independently funded news consortiums—they will use a top-slicing of the BBC licence fee to pay for the broadband roll-out. However, the hon. Member for Wantage (Mr. Vaizey) is desperate to speak, so I shall happily give way to him.

Mr. Edward Vaizey (Wantage) (Con): I do not want to interfere in a discussion of Conservative policy that does not involve a Conservative, but at least we are not proposing an amendment in the other place and then opposing it in the House of Commons.

Mr. Foster: I am coming to that, so if the hon. Gentleman can be patient for a second, he will learn all about it.

Let me turn to copyright, which is one of the most controversial bits of the legislation. We have made it clear on numerous occasions that we are very keen to do all that we can to support the creative industries, which are developing faster than any other part of the economy. We genuinely believe that they will be one of the key drivers to get us out of the recession and to help this country's economy move forward. We are therefore deeply concerned about anything that will prevent that from happening.

We are well aware that a report was published only a few weeks ago, on 17 March, that predicted 250,000 jobs in the UK's creative industries could be lost by 2015 if current trends in online piracy continue. The

Secretary of State has already referred to the hundreds of millions of pounds that are being lost to our music, video games and film industries because of illegal activity on the internet. We do not share the view of those who believe that no action should be taken to address the problems caused by copyright infringements on the internet, but the problem is that the Government's solution is predominantly encompassed in clause 17—an all-embracing clause that gives huge new unfettered powers to a future Secretary of State to address such issues. We felt that that Henry VIII clause was a step too far. The Secretary of State rightly acknowledged that the Liberal Democrats and Conservatives in another place ensured that that clause was dropped, but that does not mean to say that something should not be done. The early clauses—those up to clause 17—contain measures to address the problem created by illegal peer-to-peer file sharing, which is responsible for about two thirds of the illegal activity currently taking place.

As a result of lengthy discussions in another place, several changes were made to the Government's original proposals. They mean that no so-called technical measures, such as bandwidth shaping or temporary account suspension, will be possible unless copyright infringers are notified by letter, without there being any risk of their internet connection being affected for at least a year—the Secretary of State rightly mentioned that—unless an evaluation of the effectiveness of soft measures is undertaken; unless an evaluation of the need for, and likely effectiveness of, technical measures has been completed; unless further consultation has taken place; unless proposed legislation is brought before the new Parliament for decision; and, crucially, unless the principle of innocence until proven guilty is maintained throughout the process, coupled with the right to appeal to an independent arbiter. There has therefore been significant progress, but even more needs to be done if this aspect of the Bill is to be acceptable, so I shall propose three additional measures.

Eric Joyce (Falkirk) (Lab): I accept that progress has been made, but does the hon. Gentleman agree that it is significant, to use his word, that it would still be possible for someone to be disconnected under the Bill without the matter going to a court?

Mr. Foster: I am grateful to the hon. Gentleman for raising that point, and that is why I want to outline these three additional things that must be done. The first phase of the process is that Ofcom must draw up the initial obligations code. If the Bill is passed as it stands, it will be required to do that within six months, or in any period of time determined by the Secretary of State, so the time period could be very short or incredibly long. We believe that the six-month proposal is inappropriate, not least because in addition to the initial consultation, the preparation of the draft code, the consultation on the draft and the issuing of the final code, there must be three months' consultation with the European Union. All that cannot be done in just six months, so we propose the longer time period of nine months. However, given that there is urgency that action is taken—we cannot delay for ever—we propose deleting the Secretary of State's power to determine any length of time.

Pete Wishart (Perth and North Perthshire) (SNP): The hon. Gentleman will understand my difficulty in trying to understand Liberal policy, given the number of flip-flops that there have been. Will he be absolutely clear about his position in the light of several reports in the media in the past few days? Will clauses 4 to 17 have Liberal support as the Bill goes through the wash-up?

Mr. Foster: The Bill will have Liberal Democrat support as it goes through the wash-up, subject to the three conditions that I am outlining, each of which it would be easy for the Government to accede to.

I referred to the second condition in an intervention on the hon. Member for South-West Surrey (Mr. Hunt), as well as in a question to the Leader of the House. We believe that technical measures are a drastic step that should never be taken unless it proves absolutely necessary, so the next Parliament deserves to be given the maximum opportunity to scrutinise any such proposals. We also think that an amendable measure should come before the new House of Commons, which is why we suggest that clause 11 should provide for the super-affirmative procedure, as is proposed for clause 18.

The third point that needs to be dealt with—it was not adequately addressed in another place—relates to universities, libraries and small businesses. The networks set up by such organisations have limited control over their users. Such organisations, especially hotels and internet cafés, provide hundreds and thousands of wi-fi hot spots throughout the country, and they will be very vulnerable to the legislation. There is often only one IP address for many terminals, as is the case in the Houses of Parliament. We believe it is important that an amendment should be tabled to deal with these concerns. The Government said that they can be dealt with in the code, but we would prefer a clearer guarantee written into the Bill.

Mr. Watson: The hon. Gentleman is still a great man, but I have been around the houses a little bit in the past 10 years. What I am witnessing now are some tiny hurdles that the Minister is likely to jump over by 10 pm so that the hon. Gentleman can join the cabal of the Tory and Labour Front-Bench teams to support the Bill. I want to make it clear that he will not get away with it this time.

Mr. Foster: I am not trying to get away with anything. I hope the hon. Gentleman, who supports our creative industries, agrees that the illegal activity on the internet is costing them dear. To do nothing would be unacceptable. There has been lengthy discussion of the issue for many years, and if we can get over what he describes as small hurdles with the Government, we should proceed. We will support the necessary measures.

Mr. Simon *rose—*

Mr. Foster: I give way briefly, but I am keen to make progress as others want to speak.

Mr. Simon: The hon. Gentleman will have seen my hon. Friend the Member for West Bromwich, East (Mr. Watson) and his comrades shaking their heads when he asked whether they agreed that there was significant loss, which was damaging our economy.

Mr. Watson: I was not shaking my head.

Mr. Simon: Is not the bottom line that they do not agree, and do not accept that there is a problem?

Mr. Foster: If they do not accept there is a problem, I am not with them.

Mr. Neil Gerrard (Walthamstow) (Lab) *rose—*

Mr. Foster: I want to make progress and deal with the issue of site blocking. When we got rid of clause 17 in another place, we acknowledged that although two thirds of the illegal activity was peer to peer, one third involved people accessing illegal websites. We believe that action should be taken. In another place we proposed, at very short notice, an amendment that we thought would deal with that. *[Interruption.]* The Secretary of State laughs. The amendment became the subject of major debate, as he well knows and as he said—I acknowledge it—in my party at our party conference, and among many other people as well.

As a result, attempts were made to improve the amendment, but the Government assured us that they would introduce a new clause that would solve all the problems. I welcome the fact that it includes the super-affirmative resolution. However, if one looks at the details of the new clause 18, it is clear that it still contains many significant faults.

Fiona Mactaggart: Will the hon. Gentleman give way?

Mr. Foster: No.

Clause 18 penalises sites that facilitate access or that are used for or in connection with an activity that infringes copyright. That is far too wide-ranging and puts even sites such as Google at risk. There is no indication that rights holders must take reasonable steps to notify the site owner before seeking an injunction. The proposed injunction would be indefinite, which is inappropriate. Injunctions, it appears, do not cover all service providers, allowing infringing customers to move to different providers.

The key fault is that there has not been enough time, as there was in relation to peer to peer, for consultation on such an important measure. Having made an effort to deal with the problem, we do not believe that it is appropriate, in the short time allowed by the wash-up, to go ahead with that clause—I am glad the hon. Member for Wantage is clear about that.

The last area of controversy is orphan works. The vast majority of the people to whom I, and no doubt other hon. Members, have spoken recognise that it is crazy that so much material with no known copyright owners—so-called orphan works—cannot be digitalised and made available online, with the proviso that if the copyright owner were traced, he or she would be rewarded for the work. Some estimates suggest that there are 50 million orphan works, such as oral histories, personal letters, films and drawings, held by libraries, museums and archives which have no right to make them accessible. We welcomed clause 43 when it first appeared, as it seemed a sensible way forward.

Then, as everyone knows, our attention was drawn to the real problems that affected one group of people—photographers—and the clause became far from uncontroversial. They have given many compelling reasons why clause 43, as it stands, should not proceed. The hon. Member for South-West Surrey went through many of them, so I shall not repeat them, but if the clause is allowed to proceed we will have to find a solution to the problems and concerns of photographers. Simply deleting it would not solve the problem, because that would prevent many good things from going ahead, so in the limited time available we hope—although it might not be possible—to produce a series of amendments that would remove certain types of photography from the Bill.

The amendments would exclude all photographs taken since 1950, allowing for the cultural use of works that are historic or of cultural value, without drawing later commercial or amateur work into the scheme. The measure would not be foolproof, but for the purposes of exclusion it would be easier to identify post-1950 photography than commercial photography. Post-1950 is a clearer definition than contemporary photography, and such an approach would help to prevent the commercial exploitation of amateur photography found online.

We believe that it is possible to develop such an amendment, and we hope to produce it this evening for debate tomorrow, but I make it clear that if that approach, or something similar, cannot be found to address the concerns of photographers we will be forced to join the moves to delete the clause.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): One problem with the hon. Gentleman's proposal is that many big libraries photograph original photos out of copyright in order to claim a new copyright. Unfortunately, his suggestion would only increase such practice; it would not represent a solution.

Mr. Foster: I do not want to take up the House's time, because we can discuss that issue during our debate about the amendment tomorrow. However, I hope that we have found a way of solving the problem.

Fiona Mactaggart: Will the hon. Gentleman give way?

Mr. Foster: No, I must finish. It is crucial that we find a solution to the concerns of photographers before we allow clause 43 to proceed.

In this legislation there is a great deal of good stuff to support our creative industries, but regrettably we have a totally inadequate amount of time for deliberation in this House, and in fairness we could not allow the controversial elements that I and others have raised to proceed either today or in the future.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. I remind the House that Mr. Speaker had imposed a time limit of 12 minutes on Back Benchers' contributions. In the past half hour or so, a number of Members have decided to withdraw from the debate. I am therefore using the powers under Standing Order No. 47(1), which allows for the variation of speaking time, so, if Back-Bench Members now wish to, they may speak for up to 15 minutes. My apologies to the Back-Bench Member who has already spoken.

5.53 pm

Derek Wyatt (Sittingbourne and Sheppey) (Lab): It is a pleasure to follow my great friend, the hon. Member for Bath (Mr. Foster). Judging by what Opposition

Front-Benchers said, I thought for one moment that he was going to be the MP for Bath and Munster, but perhaps not.

I pay great thanks to the Under-Secretary of State for Business, Innovation and Skills, my right hon. Friend the Member for East Ham (Mr. Timms), who is on the Treasury Bench before me. During the past 13 years, he has been most civil and courteous about all IT matters on which I have gone to see him, and he even had time last week at 9 o'clock to fit me in and go through the Bill, so I thank him.

I thank also Lord Carter, now Lord Carter of Paris—not just in another place but in another country—for having had the vision to write the original White Paper. However, I sense that the Bill has not captured all of its contents, and I agree with everyone working in the digital UK marketplace: the Bill ought to have had a Committee stage and a Third Reading. Indeed, I am mystified as to why it did not start its parliamentary journey in this House, but we are where we are, as we often say.

Let me note four things that concern me most about the overall vision. I cannot see how the Bill takes on India or China; I simply cannot see a single provision that does so. They are not going to settle for 2 megabytes; they are going to settle for 100—and much, much more. If one talks to Tata and Reliance in India, one finds that the major cities in India aim to be far more ambitious. The situation is much easier in China: they can insist on such development, and they will deliver it, as they are doing in Shanghai, Guangdong province, parts of Hong Kong and in Beijing. If our creative industry is so important to us over the next 10 years, we should be far more ambitious. If we were having this debate in 2020 and looking back, we would say that it was pretty poor just to settle for as little as 2 megabytes.

Mr. Simon: Will my hon. Friend give way on that point?

Derek Wyatt: No, not yet.

In January this year, Google had a problem in China, and it forgot to think about where it would take its problem. It decided then that it did not need to talk to the State Department in Washington, but it certainly is now, and the one good thing about Google's demise in China was a brilliant speech by Hillary Clinton about what the internet is and what it stands for. Her vision of what can be delivered through the internet is what is lacking from this Bill.

The issue is more perplexing when we think that the Treasury gave Google a two-year moratorium on paying tax in the United Kingdom. That is staggering, and it is made more staggering when we read what ITV sent us this morning, which said:

> "Google will take more advertising revenue this year in the UK than the whole of commercial television."

I wonder where it will pay its tax. I doubt that it is in the United Kingdom.

We should adopt a much tougher approach to the internet, so, given that we have established Ofcom, which is one of the leading communication organisations in the work, naturally my instincts were to say that the Bill ought to provide for it to have the legislative feel for the internet. Then I started to think, "Hang on, how big could Ofcom get?" However, it has started that journey, given that it already has some responsibilities for the internet, so it is quite hard to take those away. However, I feel that the British Library has the most fantastic sense of what the internet is and what it can do. I also feel that the Oxford Internet Institute could also be a stakeholder—I am bound to say that because I founded it. What we are lacking, and what was missing from the Google-State Department debate in January, is the forum in which today's discussion about the internet could be considered. What is more, we are not expert enough to have that discussion, so we need to find a via media of groups and stakeholders, some of whom I have outlined, with whom we could trial such a proposal and ask them to debate those issues with us.

Last year was the 20th anniversary of the UN convention on the rights of the child, but that convention is about offline rights, not online ones. What a good thing it would have been if the Bill had insisted that the convention cover online rights, too. I am certain that if it had, we would have been able to persuade if not Barack Obama, at least Michelle Obama to get the United States finally to sign the convention. In that sense, I do not feel that the Bill has the overarching vision that the White Paper cogently expressed to begin with.

Let me turn to the more controversial aspects of the Bill, especially clause 18. I am a writer and a former publisher who has produced television programmes and is mad on music, so of course it cannot be right to steal other people's intellectual property. I debated my view with the Under-Secretary, my right hon. Friend the Member for East Ham, and pointed out that we give Ofcom the right to look after radio, spectrum, mobile and television matters, but not internet service providers. Would things not be much simpler if there was a charter between ISPs and Ofcom, outlining the conditions that enable people to hold a licence in the United Kingdom? If that were to include all that we have discussed today about stealing copyright, the Bill would not be so contentious. However, it is contentious because we do not think that anything will come from it.

I was opposed to legislation on file sharing, but I was in Washington with my hon. Friend the Member for Glasgow, North-West (John Robertson), who gave a very great speech there, and I am persuaded that we should at least trial some legislation on file sharing and copyright. We have been inundated by creative people in Britain, who are desperate for us to try it. The solution is not prefect, but we should try it.

The hon. Member for Bath mentioned clause 43. Listen, if we want the smartest, most creative industry, we have to tackle intellectual property and copyright together. They cannot just be shunted in as a couple of paragraphs; they are so fundamental to the reason why people write music, sing or create whatever they do. I wish that we did not have to go forward with clause 43. What we need is a brand new intellectual property Act, but we are not going to get that from this debate. I hope that the next Government, whoever they are, will see that we have to build bricks into the wall if we are going to be the best in the world in 2020. I have mentioned one of those bricks.

On photography, people accessing the Getty collection, for example, get a low res, so they cannot steal the intellectual property—well, they can, but it would be no good for reproduction. I am mystified about why photographers do not do that unilaterally. If a cost

[Derek Wyatt]

element is involved, we could say to Ofcom, "Listen, deliver us a piece of software that would do that for them." That is a bit over the top, I know, but there is a way of solving the issue from a software point of view.

I turn to the issue of orphan works. Extraordinarily, the simplest thing is to charge people for the use of anything, even if the copyright owner cannot be found. The money can then be put into an orphan fund, and young musicians from school, older musicians from elsewhere or writers who need help could access that fund. If and when the original copyright holder is found—that is pretty unlikely—the money would still be there and they could still claim for it. I wish that we had done that, too.

I will not rehearse every argument about the future of Channel 4 and public sector broadcasting. We have really missed an opportunity with Channel 4 by not giving its online activities a public sector role. For instance, why was it not given the opportunity to run direct.gov.uk? The channel would have made it spankingly brand new and sexy, attracting hugely greater numbers of people—although the numbers are not bad as they are. We in Government always think that we have to do such things, but if we had given a public sector broadcaster such as Channel 4 a substantial part of the online world, that would have been such a challenge to the BBC; it would have sharpened its reflexes. I am sorry that that chance has been missed.

In 1997-98, we were trying to persuade Chris Smith, the then Secretary of State, to bring forward the digital switchover. Everyone said that it would be a nightmare, and we fudged it over seven years. By the opening year, however, 90 per cent. of the population already had a digital TV set, so we did not need the £600 million that we are arguing about now. We are early adopters in this country—the car industry is evidence of that, as digital radios are installed in cars. Digital radio prices are down. As has been said, we can use FM for something else. I do not think that there would be problem if we went for digital radio in 2015, and I congratulate Andrew Harrison, Lisa Kerr and Darren Henley for making a cause of the issue. Radio used to be a Friday afternoon activity for any bit of policy, and it is nice to see that digital radio is now discussed on a Tuesday.

This will probably be my last speech here, and I wish the House well. Thank you.

6.3 pm

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): I rise with some sadness to speak about the Bill. There is an awful lot in it that I support and that I think is important for the future of the creative industries. However, in almost every case there are still big questions, potential flaws and probably unintended consequences. In each case we might have been able to discover some of those issues and put them right, had we had the opportunity.

I entirely agree with those who have spoken: there is no reason why this Bill suddenly has to have its Second Reading the day the general election is called. The Secretary of State says that there are precedents for that, but I simply do not believe that a controversial major Government Bill, which will have huge implications for so many industries, has ever had its Second Reading the day before wash-up, so that it has no Committee stage whatever.

Part of the problem is that the Bill does not command complete support. There are people out there who are profoundly unhappy and will try to resist some of its provisions. The fact that it will not have had full scrutiny by Parliament will mean that they will argue that it does not command full legitimacy; they will feel that that gives them more cause to oppose it and circumvent its provisions. That is sad and worrying because the measures in the Bill to protect the creative industries are important. Furthermore, for reasons that I shall come to, I have concerns that the provisions can be circumvented.

It is true that the Bill has had lengthy scrutiny in the House of Lords, and some amendments passed there have improved it. However, there are profound constitutional concerns about how we have handled this matter. Lord Puttnam has described the timetable as "almost insane". Our approach should be to ask ourselves what in the Bill is absolutely necessary—what is really urgent that we have to pass now. I am not sure that we should pass any provision that does not meet that test.

As my hon. Friend the Member for South-West Surrey (Mr. Hunt) said, the first few clauses of the Bill, which give new powers to Ofcom, are not necessary. They could also be confusing. Ofcom is primarily an economic regulator. If we give it other duties, that will cause confusion about what its priorities should be. My hon. Friend is right to say that we should not proceed with that particular element of the Bill.

The measures on file sharing are in a different category. There is no question but that piracy of creative content is doing huge damage to our music, film, television and games industries. It is already undermining the economic viability of those industries, yet we are still only in the early stages of the broadband revolution. We all share a desire to move to a world in which broadband speeds are much faster. The hon. Member for Sittingbourne and Sheppey (Derek Wyatt) suggested that 100 megabits would be involved, but we are some way short of that. Clearly, however, it is going to get faster, so the potential for piracy will increase dramatically.

At the moment, it takes a long time to download an HD movie, but when we move to a world in which such a movie can be downloaded in a matter of minutes, we will see real problems with piracy. It is terribly important that we take measures to deal with that. However, there are real problems with each of the measures proposed. On file sharing, culprits are to be identified by asking internet service providers to identify their customers through their internet protocol, or IP, addresses. Nobody has yet explained to me how we will deal with university halls of residence; one has to suspect that a large proportion of the occupants of those are likely to be involved in illegal file sharing. Nobody has explained how we are to deal with internet cafés and wi-fi zones, all of which are proliferating. It cannot be right for us to cut off the whole of Starbucks just because one person went in for a cup of coffee and illegally shared files.

The second provision, on site blocking, was introduced at a very late stage. Again, there is no question but that piracy is taking place not only through file sharing but through the accessing of illegal websites. The provisions that have now been introduced, which I assume will also

pass, still raise serious questions. Is it proposed that a rights holder will have to take out individual injunctions against every single internet service provider? Unless they do, as soon as one ISP blocks access, the people who want to obtain illegal content will simply transfer their business to the next ISP. It is very simple to set up a proxy server. If access to a website is blocked, those in the business of distributing illegal content will set up a proxy server somewhere else; instead of going through the front door, everybody will simply come in through the back door. If that proxy server is cut off, another will follow.

I support the measures because we need to send a signal that we take the issue of piracy seriously and we want to tackle it. However, let us not think that they will put an end to it. Those who are technically literate will very quickly find a way around them. I hope that the Secretary of State is right and the vast majority of people will mend their ways on receipt of a warning that they are doing something illegal, but I am not wholly confident. In the long term, we will have to look for other solutions. There may be technical means—technology such as content ID, which can identify the individual data coming down the network, might be a way forward. However, the real way forward is to educate people that they should not be doing something, and one has to say that we are failing in that challenge at the moment. We have to get the message across that pirating created content is not only illegal but will put businesses in real jeopardy unless people desist. I support the proposals, but I am not at all convinced that they will achieve the objective that the Government have set.

I now turn to DAB radio. Commercial radio and the BBC have invested huge amounts in moving to DAB, and commercial radio in particular is now in real economic difficulties, as the report that my Select Committee—the Culture, Media and Sport Committee—issued this morning explains. There is no doubt that one burden on it is having to broadcast in analogue and digital simultaneously, and it would provide some help if it had a firm pathway to a future in which it need only broadcast in DAB.

I believe that the 2015 date, which I know is not in the Bill, is unrealistic. It is sensible to set a date, but most people believe that that is probably too ambitious, because of the single problem of car radios. Yes, some manufacturers are beginning to fit DAB radios in cars, but there is a huge reservoir of cars that will not have them for a very long time. We must get to a point at which an in-car radio can easily be converted to DAB. The device that is on the market at the moment, which I have in my car, has so many wires, antennae and bits of equipment that I do not believe it will be taken up with great enthusiasm.

My hon. Friend the Member for South-West Surrey is quite right to hope that one day we will have local television news services. That is the objective, but we are still some way off. The Government brought forward the proposal for independently funded news consortiums, in which my Select Committee saw some attraction, but clearly that is not going to get through this week. There is, perhaps, an alternative way now. The new chairman of ITV has indicated that he might be willing to continue to provide regional news, which is a welcome development, but he will need some help if he is to do that. It is clear that the public service obligations and regulatory burdens of contract rights renewal are imposing real costs on ITV. If we are to help it continue to provide the public service programming that we want to see, such as regional news, one way we can help is to lift those regulatory burdens, including CRR.

I share the enthusiasm for Channel 4 and welcome the fact that its remit is being updated. The Culture, Media and Sport Committee drew attention to the lack of accountability in the current structure of Channel 4, and I welcome the provisions that will require it to give greater detail to Ofcom about how it is meeting its public service remit. I am concerned that it is not subject to the same provisions as the BBC, for instance, on the potential impact of its activities on commercial competitors. Although it does not receive public subsidy, it is nevertheless owned by the state and needs to look carefully before moving into areas in which commercial competitors are already present. I should like there to be at least some recognition of that.

There are provisions in the Bill relating to video games classification. Many Members who are currently in the Chamber will have participated in long debates about whether that should be responsibility of the British Board of Film Classification or whether the pan-European game information system should be used. That has now been resolved, although there are still one or two issues of some concern. I would be grateful if the Minister confirmed the Government's intention to recognise the potential loophole that exists in the case of sport and music videos, which are a method by which wholly inappropriate content can sometimes be viewed by people who are under age. The Government have suggested that they are willing to address that. In general, I will be pleased if the important provisions on video game classification pass on to the statute book.

Clause 43, on orphan works, and the subsequent clauses dealing with extended collective licensing, have been mentioned. That is another terribly sad subject, because the wish to use some of the creative content currently locked in libraries, museums and the BBC is absolutely right. The motivation behind clause 43 is entirely admirable, but again, it was not properly thought through and there are genuine concerns about the conditions in which it will operate. There is supposed to be a market rate, but what is the market rate for a photograph that has never been used? Photographs have hugely varying costs depending on who took them, their content and their age, yet it is suggested simply that there should be a market rate. There is also concern about the so-called "diligent search" that the collecting agency is supposed to carry out, and how diligent it will actually be.

Photographers have also expressed concerns to us about how metadata can fall off a photograph accidentally, or perhaps even deliberately through the actions of those who want to exploit it. It is sad, but there is no question but that clause 43 in its current form is not fit for purpose. In the circumstances in which we find ourselves today, without any ability to consider properly how the clause can be amended, my hon. Friend the Member for South-West Surrey is right to say that it should not be passed. That is a missed opportunity, because we have not had time to go through the Bill properly.

I welcome the provisions to extend public lending right into the area of e-books, which may become much more popular in the near future. The hon. Member for Bath (Mr. Foster) is quite right to say that they will be universally supported.

[Mr. John Whittingdale]

The final clause about which I have some concern is clause 46, which has not been mentioned this afternoon. In the House of Lords my party rightly identified what was then clause 17 as giving the Secretary of State sweeping powers to amend legislation by order and, essentially, bring in whole new areas of copyright law without proper debate. Clause 46 appears remarkably similar in that it provides the Secretary of State with general powers to amend legislation by order. I hope that that is not right, and that it is not a Henry VIII clause. I would be grateful if the Minister could confirm that, because if it is a Henry VIII clause, providing such wide powers, we should not pass it.

Although there is a great deal in the Bill that I support, I still fear that some measures that will go through have considerable flaws, and that we may well have to revisit them in future. There are other clauses, which my hon. Friend the Member for South-West Surrey identified, that we should not be prepared to pass.

6.17 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): It is rather sad that we should devote one of the last major debates of this Parliament to such a sprawling rag-bag of a Bill. It is difficult to get a solid core to bite on and a solid argument to put, because it is very much like the curate's television. It is good in parts, but has large areas of dross and boredom and is bad in other parts. It is therefore difficult to come to any conclusion other than the one that a number of Labour Members have argued—that we should delay consideration until a better time when we can give the Bill more serious concern and preoccupation.

I heard all the Secretary of State's answers about how the House of Lords has devoted its usual frenzied, hectic consideration to the Bill, full-time, for months and months, and how the Government have conducted a full consultation with all the outside interests. However, I am suspicious, because if it has had such full consideration, why are so many of my hon. Friends upset at the speed at which it is going through? Why am I getting more e-mails than I can competently deal with now that I am in half-campaigning mode, saying, "This is a bad Bill. Stop it. We don't want it and we are threatened", from people more active and interested in the internet than I am?

The e-mails are mainly from young people, who feel threatened by the Bill. They may be wrong, they may not be threatened by it and the procedures for cutting off their access through the service provider may be fair, just, wholesome and very effective, but they still feel threatened. It will take time to explain things to them, and to examine their worries and discuss them. When I have replied to their e-mails, their answer has always been, "This is a Bill on which the big boys, the big corporations and the big businesses, which are now involved in the internet, have all been well consulted. Their voices have been well heard and they have dominated the consideration of the Bill. It is far too favourable to them and far too unfavourable to the little guy." The little guy—in particular, the people indulging in harmless file sharing out of interest—is how the people writing to me see themselves.

That is a complex argument, but it is true that the big corporations and big business have loud voices and that the House of Lords is a natural forum for the expression of those loud voices and opinions. When discussing the Bill we have talked about peer-to-peer transfers, but peer-to-vested-interest transfers are a major part of the process.

Pete Wishart: I am following the hon. Gentleman's remarks with great interest. Does he actually believe that there is a problem with illegal file sharing, as has been outlined by the Secretary of State? If we do not take the measures in the Bill, what would the hon. Gentleman do to try to tackle it?

Mr. Mitchell: My answer is simple: I do not know. That is why I do not want the Bill to be rushed through; my education is involved here, as well as the education of all the people who are concerned about this throughout the country. The House will often find it difficult to come to a verdict on these issues without hearing further explanation and having further discussion, without the Committee work that is involved and without the hearings involved in pre-legislative scrutiny, which Lord Puttnam has told us that we should have had on this Bill. So I am not going to propose an alternative solution, but I am worried that the one proposed in the Bill frightens a lot of people in the country. I want to allay their concerns and to be able to explain to them that it is not damaging and it is not dangerous—if that is indeed the case. I do not know whether it is.

So another argument for having further consideration of the Bill is that the voice of the young is saying, "This threatens us." These people may be nerds, fanatics or zealots for all I know, but they are concerned and worried, and they will not be bullied into accepting the Bill. We have to weigh their voices, listen to what they are saying and discuss their concerns. I cannot do that and the House cannot do it if we are half in campaigning mode, if most Members' minds are back in their constituencies and if most Members are worrying about what will happen to them or are thinking about the coming joys of retirement—that is a pleasant occupation, which I hope I shall not be enjoying. We cannot give full consideration to the Bill in that state of mind. Logic says to the Government and the precautionary principle says to me, "If it is doubtful, if you are not sure, if you have not consulted and if there are voices that need to be heard, do not rush into doing anything. In particular, do not rush into legislation."

What would a delay of another three months or so in order to discuss the Bill properly and give it full consideration do? There would be no danger in taking such an approach. A delay of three months would not produce the collapse of the creative industries, which has been held up as the threat hanging over us. This needs to be settled and discussed by the Commons through its full procedures; this should not be a rushed Bill, carried on the basis of the half attention of a discredited, dying and distracted Parliament. If the Bill is passed in that form, it will not have legitimacy and consent, and it will not be accepted in the way that it needs to be. There is, thus, a strong argument for delay. The Government say that they are going to provide for all this in regulations, but regulations do not receive the full discussion. Thus, they do not carry the full confidence of the people on whom they are imposed that having a full discussion in this House would.

I can best voice the concerns that have been put to me by quoting from an e-mail from a woman, who cites the words of Charles Stross. The e-mail states:

"This seems to be a draconian and heavy handed bill aimed at appeasing big business and I do not believe its being granted royal assent is in the best interests of British citizens."

Why is that? Well, Mr. Stross has said:

"I'm a self-employed media professional working in the entertainment industry, who earns his living by creating intellectual property and licensing it to publishers. You might think I'd be one of the beneficiaries of this proposed law: but you'd be dead wrong. This is going to cripple the long tail of the creative sector—it plays entirely to the interests of large corporate media organizations and"—

messes—

"on the plate of us ordinary working artists."

I was selectively quoting there. Mr. Stross continues:

"Want to write a casual game for the iPhone and sell it for 99 pence? Good luck with that—first you'll have to cough up £50,000 to get it certified as child-friendly...Want to publish a piece of shareware over BitTorrent? You're"—

up against it there, mate—

"all it takes is a malicious accusation and your ISP (who are required to snitch on p2p users on pain of heavy fines) will be ordered to cut off the internet connection to you and everyone else in your household. (A really draconian punishment in an age where it's increasingly normal to conduct business correspondence via email and to manage bank accounts and gas or electricity bills or tax returns via the web.) Oh, you don't get the right to confront your accuser in court, either".

Nobody can be happy with legislation passed on that basis.

I wish to comment on other aspects of the Bill that concern me and I would like these to be discussed at some length. I cannot agree with my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt) in his analysis of the digital radio switchover. Clearly the industry, in the main, supports digital switchover, but of course a switchover to DAB radio by 2015 is wholly impractical and out of the question because that is too soon. It will be much more difficult to switch over to digital radio than it was to switch over to digital TV, because that process was helped by the mass subscription to Sky and by the development of Freeserve. Such provision does not exist in respect of radio, because there are 120 million radios in this country and sales of digital radio have not taken off. Digital radio is quite expensive and if we make it compulsory, that will be a heavy tax on the consumer. One of the lower prices for a digital radio is about £85, and that price has increased with devaluation. So this would be a heavy burden to impose on the consumer, and if we require switchover, it would leave about 120 stations still on FM and locked out in the cold. We do not have to switch over at this speed and we do not have to switch over to DAB because we could move to DAB plus, which would allow both services to be run concurrently.

I am worried about the digital switchover for radio, because the crucial factor here is car radios, for which the technology is never sold effectively. Like the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), my experience with DAB in the car has been totally unsatisfactory. Not only is it messy, but it is difficult to pick up a station, and the signal cuts in and out and fades away, so one is constantly having to switch back to FM. Digital car radio sales are crucial, but such sales have been low and there is no sign of their taking off. Only 1 per cent. of cars are fitted with a digital radio, and until there is a mass fitting of digital car radios we shall not be able to have an effective switch-off. I am worried about that provision.

The photo provisions have been well dealt with. The hon. Member for Bath (Mr. Foster) mentioned the access to orphan works, which we all welcome, but let us not forget that that can be a threat to existing photographers, for whom their photography is a living and who thus need the royalties to be paid. As Tom Stoddart, a well respected and well known photographer, has said in submissions to us, the metadata that are attached to the photograph can be simply cut off, junked and lost, so there is no attribution to an author. There is no definition of the search that the photograph user has to make. It could be totally perfunctory, and used in undesirable situations and without payment to the author of the photography. That problem with so-called orphan works is not satisfactorily dealt with in the Bill.

My last point concerns regional television. I grew up in regional television and I am a strong supporter of it, and the way that ITV has been treating its regional commitment is outrageous. It should have been held more firmly to the contract pledges that it submitted when it got the contracts in the first place. Ofcom has given it an easy option, and so has failed in that respect. The experiment with three new providers is a brave and effective one, and I am glad to see it going ahead in Tyne Tees, Scotland and Wales—I hope it is successful—but it does not have a firm financial base. The original hope was to cream something off the licence fee, but that has not happened. There will be a substantial cost to the operation, and an even bigger one if it is extended to other companies, as it should be if ITV is going to wriggle out of its regional commitments.

The Conservative party's hope that the market will provide is laughable. The market certainly will not provide regional television; it is a regulatory requirement. It is ridiculous to argue that the ITV companies are so overregulated that they cannot provide regional television, because it is regulation that is keeping regional television there—and we want to keep it. I wish the experiment success. It is a brave idea on the part of Ministers, but it needs a firm financial base if it is to be extended to other companies and organisations, as it should be. ITV's roots have to be in the regions, because that is how it builds up its audience in the early part of the evening. Only an ITV that provides effective regional television can compete with the BBC. Regional television has increased and improved enormously over the past few years, and is now leading the field. ITV needs to fight back, and if we can help it with these sorts of provider experiments and by providing a new financial basis, we should do so.

I do not want to continue at length sorting through this rag-bag—one never knows what kind of smelly garments one will find when sorting through such a rag-bag—but it is unsatisfactory that we are putting this rag-bag into the wash-up. I know that hands that do dishes can be as soft as your brain, with bright, green Fairy liquid, but a wash-up is not a satisfactory way of dealing with measures as important as this to the future of radio, television, the internet, and the music and film industries. We should not be considering this at this hectic, break-neck pace; we should be postponing it for

[Mr. Austin Mitchell]

three months and giving it full and proper consideration in the next Parliament, when Labour can reintroduce the Bill and we can get back to it.

6.33 pm

Peter Luff (Mid-Worcestershire) (Con): It is a great pleasure to speak after the hon. Member for Great Grimsby (Mr. Mitchell). His optimism will ultimately prove to be misplaced, I hope, but I found myself in total agreement with the broad thrust of his remarks. The hon. Member for Sittingbourne and Sheppey (Derek Wyatt) talked in his interesting remarks about the lack of vision in the Bill. Legislation is not always the best place to find vision, as a general rule; the nearest we get to it in this legislation is the title—the Digital Economy Bill. As the hon. Member for Great Grimsby said, it is a rag-bag of measures that do not live up to that relatively grand-sounding title.

I cannot overestimate the importance of the Bill—or, at least, of the things that it deals with—to the future of the British economy, society and culture. The internet has already transformed our lives—even now, as I speak, I see hon. Members tweeting and taking text messages. I welcome that, but the transformation has only just begun, and getting this right is hugely important. I have some sympathy with the Government. I was a special adviser at the Department of Trade and Industry when the then Government produced the Copyright, Designs and Patents Act 1988, and even then we were discussing, at official level, how to cope with legislation that can keep pace with environments as fast changing as those we are dealing with in this Bill. That was before the digital revolution, and the rate of change has been transformed.

Nevertheless, this is the most profoundly unsatisfactory constitutional process I have engaged with in my 18 years in the House. In his opening remarks the Secretary of State promised my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale) that he would write up a list of precedents, but I do not believe—I could be proved wrong—that there is a single precedent for giving a major and controversial Bill a Second Reading once a general election has been announced. It is a scandal that the House is being asked to agree that tonight.

I have given the matter careful consideration and I make this commitment: if there is a Division, I will support the Bill because, under a true constitutional process, it deserves a Second Reading; it does not, though, deserve what will happen to it thereafter. However, I broadly support the aims and objectives of the Bill and will vote for its Second Reading should there be a Division—but I shall do so under duress and protest, because I hate and loathe the process in which I am forced to participate.

I was disappointed even by the length of the Secretary of State's opening speech. He rattled through whole sections of the Bill in sentences and phrases, when the normal process is to explain what each clause or group of clauses will do. He gave us an 18-minute tour d'horizon rather than a serious analysis of the Bill, which denied many hon. Members the opportunity to cross-examine him on details. That cross-examination matters. It matters also that my hon. Friend the Member for South-West Surrey (Mr. Hunt), the shadow Secretary of State, was so responsive to interventions, because I hope that he will be responsible for implementing the provisions of the Bill when it becomes an Act. Things he says from the Dispatch Box are important for the assurance they provide to the outside world. I would have liked many more opportunities to get such assurances from the Secretary of State, but because of the nature of his speech they were not forthcoming.

The following is extraordinary. On 23 March, I received a letter from Lord Young of Norwood Green, the Minister with responsibility for postal affairs and employment relations. I do not think that my hon. Friend the Member for Maldon and East Chelmsford, who is the Chairman of the other relevant Select Committee—the Culture, Media and Sport Committee—has received such a letter. It lists 22 letters of clarification and explanatory notes made available after the House of Lords debates. I have not had the opportunity to examine all 22 notes and letters of clarification, although I have examined one or two of those on issues of particular concern to me. Nevertheless, here is a level of detail still being explained in correspondence to the House.

I have a particular concern that I believe I can drop—given the limited time of my speech, I will do so—about the requirement on Ofcom to have a health check on the nation's communications infrastructure and services. The directory inquiries service providers were worried that the current wording fails to consider barriers faced by consumers accessing third-party services. I understand that a Minister—I do not know which one—has corresponded with the directory inquiries providers and given them reassurances. I hope that that letter will be put on the public record, although it would have been much better to have won those reassurances before the Committee, so that the internet and business communities could have known what was being said, rather than their being provided in back letters between Ministers and special interest groups.

Having said all that—I have said already that I will support the Bill—I believe that the Government are right, at the end of the day, to choose creativity over internet freedom. I believe that that fundamental choice, which is made in the Bill, is the right one to make. I will not labour the points made by the Creative Coalition Campaign, which I agree with strongly, about the importance of the creative arts and industries to the UK; I say simply that every industry operating in the UK is creative, and I do not particularly like the phrase "creative industries". In the modern world, Rolls-Royce has to be as creative as video games providers. The creativity that the Bill seeks to protect lies at the heart of Britain's future economic success, so the Government's basic choice is right.

Mr. Simon: I suspect that the hon. Gentleman may agree with me. Does he not think that the choice between creativity and internet freedom is a false one? The freedom to take other people's content is not real freedom.

Peter Luff: I agree absolutely with the hon. Gentleman, whom I wish had had the tenacity to see this Bill through to the end of the Parliament, rather than giving up halfway through. However, he is right, and I shall come back to that in a moment. Some of the fears of

the internet community are misplaced. He is also right that in a responsible society, we respect other people's rights.

I would have liked to speak on many areas, but in my brief time I shall concentrate on just four: Ofcom, file sharing, spectrum and orphan works. On Ofcom, I am personally disappointed that there is no provision in the Bill for the transfer of Postcomm's services to Ofcom. That could, and should, have been part of the Bill. The transfer is logical given the convergence of technology and the fact that postal services compete with internet and broadcast technologies. That has no relationship to the privatisation or part-privatisation of Royal Mail Group. Those changes could have been made in the Bill, giving Postcomm and Ofcom the regulatory certainty that they need to plan their futures.

The Bill is weak on investment in broadband. My Committee produced a lengthy report, which is tagged to this debate. As I said, the Minister indicated that the Government's response was ready, but sadly he has not been able to publish it as a Command Paper yet; I wish he had. My report deals with a range of controversial issues, one of which is not covered by the Bill at all—it is in the Finance Bill—and that is the 50p monthly levy on telephones. I shall let out a small secret from my Committee's deliberations: it was the Labour members of the Committee who were particularly exercised by what they saw as a regressive and poorly targeted tax. We are to have no opportunity to debate that provision on the Floor of the House, because the Finance Bill is also going into the wash-up, which is quite extraordinary.

I would like to see in the Bill a definition of what constitutes 2 megabits per second. I know that the hon. Member for Sittingbourne and Sheppey was rather dismissive of 2 megabits per second, but for many small businesses and rural dwellers, getting reliable access to a minimum of 2 megabits per second would transform their lives. It is enough for BBC iPlayer, after all, and most commercial transactions can easily be done using that speed, but it is often not available. Putting an emphasis on the universal service obligation could really unleash the creative energies and commercial opportunities that many people are currently denied. So my message to the Government is this: let us not deride the Mini, even though we all aspire to the Rolls-Royce.

I am worried about the provisions relating to Ofcom in clauses 1 to 3. I am not convinced that they will not dilute its focus on consumers and competition. Sky has told us in its briefing on this debate that

"the new duties represent an unwarranted, ill defined and unnecessary intervention that is likely to distort the balance of Ofcom's priorities to the detriment of competition and consumers and result in unforeseen consequences."

There is that phrase again: unforeseen consequences. The Bill will have so many of them, and that is why it needed a Committee stage.

I am pleased to have had Ofcom's response to many of these proposals. It appears to welcome the investment role that it will be given under the new powers, but it has also expressed a clear concern about the lack of broader powers to achieve the greater duct access necessary for the more commercial role in next-generation access that could be achieved by the market, given the right regulatory framework.

I turn next to file sharing. My hon. Friend the Member for Maldon and East Chelmsford, the Chairman of the Culture, Media and Sport Committee, made a fine speech, and I have little to add to that, except to say that the provisions of the Bill have been misunderstood by many campaigners. They really are far less draconian than people think. A year of warning letters will precede any technical action, and such action will begin with throttling access rather than cutting it off. The cut-off will come later. There are also to be rights of appeal. I ask the campaigners to balance their interests against those of the creative industries, as the hon. Member for Birmingham, Erdington (Mr. Simon) rightly suggested.

I am always struck by what Sky has to say, and I was certainly struck by its evidence to the Committee. It has a foot in both camps, as an internet service provider and a creative content provider. I know that it had a big internal debate about where the balance of its interests lay, and it concluded that it was with the Bill, with creativity and with protecting content. Frankly, if Sky, as a big ISP, can manage that, I am sure that everyone can. However, I note its concern that

"measures need to be widely applied which is why the notification obligations must apply to all ISPs and that in the apportionment of costs Ofcom should have regard to the principle of 'beneficiary pays', which in this case is content owners—Sky as a content owner will expect to pay the full cost of participating."

There is still a debate to be had about the details of those provisions.

I accept the concerns that my hon. Friend the Member for Maldon and East Chelmsford expressed about student halls of residence, although I have no idea why he should pick on students as illegal file sharers. Concerns have also been expressed by the Federation of Small Businesses, which points out that many of the problems occur

"on communal computers, such as those in internet cafés, and various other small business outlets that could include pubs, shops, hotels and even home offices—in short a significant proportion of our members."

It is no exaggeration to say that, unless those concerns about illegal file sharing in public places are properly addressed, this could be the end of public wi-fi, which would be very serious indeed. There could be technical solutions to those concerns, but we need to have them spelled out. Unfortunately, we do not have time to do that in this debate; nor will we have time in the Bill's short Committee stage tomorrow. A full Committee stage would have enabled that issue to have the attention that it deserves.

I am largely unsympathetic to the concerns of the big ISPs, but BT has made some important points in its representations, particularly that

"the rights holder must show the court that he has taken all reasonable steps to enforce his rights".

That, too, is something that we should have had an opportunity to look at in detail, but that opportunity has been denied.

I shall turn briefly to spectrum—*[Interruption.]* I hear cheers from my Front Bench. I am gaining a certain reputation for speaking up for radio microphones, so it will not surprise the Financial Secretary to the Treasury or the Minister with responsibility for Digital Britain to learn that I want to talk about that today. A massive windfall is coming the Treasury's way, and I am told that it is not included in the Red Book figures, so it

[Peter Luff]

is extra money to help to pay down the debt in a year as yet unspecified. There are still, however, big questions about the future of radio microphones.

As the digital dividend rolls out, some people are losing out. They did not ask to move, and they get no benefit from moving. They include those in the programme making and special events sector, which brings huge social, economic and cultural benefits to citizens and consumers in the UK through a wide range of activities including film production, musical theatre, news gathering, television, sports events, live music and even church ceremonies. Indeed, I have the whole of the Church of England on my side in relation to early-day motion 323. It is still not too late to sign that motion, and I thank the 164 hon. Members who have already done so.

I am confused by the Bill. The Government say that decisions must be made about spectrum allocation under the powers laid out for Ofcom by Parliament, but Ofcom has said that

"the final decision on the level and basis of this funding is entirely a matter for Government".

There is confusion, and I wonder whether the Minister will maintain that the decision must be made under Ofcom's powers, rather than by the Government—and, if so, why.

The Government claim that they do not need to provide funding because good notice has been given, but even now they do not know what the spectrum is going to be. In Ofcom's recent annual plan, it suggested that the details for the alternative spectrum will be provided only in the third quarter of this year, some five years after the eviction of the programme making and special events sector was announced.

I have spoken to the Minister about the Government's pledge that no one would be better or worse off, and I will not weary him by going over the details again today. I repeat, however, that if residual value compensation does not cover the cost of replacing existing equipment with alternatives that do the same job, recipients will be left worse off. The Government have indicated that they want to take that issue seriously, and I hope that they will.

Turning to the time scales involved, why has all this taken so long? Here we are, right at the end of the process, and we still do not have answers to the really important questions. Small businesses and freelancers need to make significant investments running into many millions of pounds, but they are being left in considerable uncertainty. There is a real risk that there could be a big hiccup in the provision of radio microphone services. When they go, we will realise how much we miss them.

My fourth area of concern is orphan works. The rest of the Bill seems to get it right on property rights, and it is therefore surprising that clause 43 seems to get it so badly wrong. I am an amateur photographer, although I have never made a penny from any photograph that I have taken. I am Mr. May in the *House* magazine calendar with a photograph of the grounds of Caerhays castle. I might be the election month pin-up, but I am getting no money for that photograph. I declare my interest, however.

Many photographers rely on the exploitation of the intellectual property rights that flow from their work. As the campaign group to stop clause 43 points out, the clause says that

"if someone finds your photograph, wants to use it and decides that they can't trace you, they can do whatever they like with it after paying an arbitrary fee to a UK Government-appointed 'licensing body'. You'll never know unless you happen to find it being used in this way".

We have seen graphic examples in our post and e-mail of images being used in ways never before seen. Those practices have resulted in the people who took the photographs losing money.

Ironically, there has been a spectacular demonstration of that only in the last few days. I am indebted to Jeremy Nicholl, whose blog I shall quote from—or, perhaps, paraphrase; I do not want to be accused of plagiarism on this of all occasions. About last weekend's now famous "Ashes to Ashes" Gene Hunt poster featuring the actor Philip Glenister, the blog states:

"But for those in the UK creative industry there is a far more interesting question: how did the Labour party get permission to use the Glenister image? The answer is: they didn't. In the clause 43 spirit of log on, go everywhere, steal everything, the image was apparently downloaded by a Labour party activist, adapted by advertising company Saatchi & Saatchi, then approved by government ministers David and Ed Miliband. Alarm bells, anyone?

The poster manages to break just about every rule in the intellectual property handbook, and with entirely predictable results. Glenister has apparently said he is unhappy about the use of his image for political purposes. Doubtless lawyers for German car maker Audi will be interested in how one of their products came to be used to promote a British political party. And BBC chiefs are reportedly 'furious' at the misuse: 'We would never have given permission for any political use of one of our programmes', one senior executive is reported as saying. Quick, define irony".

Mr. Watson *rose—*

Peter Luff: I will give way to the hon. Gentleman. I ought to give him a chance to speak up for his party.

Mr. Watson: I admire the hon. Gentleman's point. That message was mixed by Labour spin doctors, then remixed by Conservative spin doctors. He is proving the point that mixing culture and the power of sharing are new in the internet age. That is precisely why the Bill is so incompetent. We are not going to stop people sharing content with each other and using it creatively to create new things. He should be proud that young people are mixing up these images to engage in political debate.

Peter Luff: Ah, that is a very interesting point. I was with the hon. Gentleman for quite a lot of that intervention, although, as a Select Committee Chairman, I try to be neutral and impartial on these matters. I thought that the reference to the Audi was a reference to my party, rather than to his. His last comment really worried me, however. I am not proud that our two great political parties are exploiting intellectual property inappropriately and without permission. I am ashamed of that, and he should be ashamed of it, too. He should not give any succour to those who abuse intellectual property. We should not forget that the BBC, as this blog says, is one of the main proponents of a Bill to allow use of other people's images in ways they did not envisage without permission or payment, yet it is furious that without permission or payment someone has taken a BBC image and used it in a way that the BBC did not envisage.

What is interesting is that this guy has done some research. He says that–

"a quick search of the internet reveals the original photograph hosted here"—

he has the hyperlink on his blog—

"complete with all the BBC copyright information: it even very helpfully has a contact number for those who wish to use the picture legally."

It concludes:

"For any other purpose whatsoever, including advertising and commercial prior written approval from the copyright holder will be required."

It ends with reference to "Caption writer: Greg King" and provides the telephone number 0208 225 8543. Anyone up for this, gentlemen or ladies, can get retrospective permission and pay a fee to the provider of the photograph.

Jeremy Corbyn (Islington, North) (Lab): Will the hon. Gentleman give way?

Peter Luff: No, I have already given way twice and I have no more time.

I have considerable sympathy with those who believe in the need for a new intellectual property Act, but we do not have time for that. This Bill is the best of a bad job; it can be improved in the wash-up, but not enough. It is a shame, but we have to support it.

6.50 pm

Mr. Siôn Simon (Birmingham, Erdington) (Lab): In common with my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt), this will be the last time I speak in the House. It would be fair to describe my feelings as bitter-sweet.

When I was a Minister, I had some input into some aspects of the Bill, but I largely inherited it from Stephen Carter. The "Digital Britain" White Paper was published in the week I became a Minister. I would like to spend a few minutes paying tribute to Stephen Carter and the work he did on that White Paper. It is unusual in government for any measure, particularly one so wide ranging and cross cutting, to be so clearly and singularly the work of one man. This one cuts across super-fast broadband, mobile telecoms, anti-piracy, radio, public service broadcasting and Ofcom. In the months I have spent on the Bill since last summer, it has became apparent to me what an extremely impressive piece of work it was.

Good government consists in surveying the scene, analysing the information, making a policy, taking decisions and implementing them clearly. I agree that the Bill, as amended, partly by me, is not so visionary a work. Given its more practical nature, that is perhaps inevitable. The White Paper, however, in the way it built coalitions, found consensus and struck balances from sector to sector, was a really outstanding and visionary piece of work. Great credit accrues to Stephen Carter for what he did.

The most obviously fractured coalition in the Carter consensus revolves around the contentious and controversial issue of illegal downloading. The advocates of illegal downloading—for that is what it is—have succeeded in painting a picture that is very seductive, but very misleading. The best way to illustrate this is by means of an old-tech linear-medium metaphor. In this metaphorical world that they have constructed, my hon. Friend the Member for West Bromwich, East (Mr. Watson), who is in his place but not paying attention, is Luke Skywalker. He is the little guy, the plucky loner fighting the machine. Clay Shirky is Obi Wan Kenobi, the wise, broad, almost mystical guru figure. Peter Mandelson is obviously Darth Vader. Rather more counter-intuitively, however—this is where the metaphor begins to fracture—the evil Sith Chancellor Palpatine, the most evil universally bad figure of all, turns out to be Steven Spielberg. That is who Luke Skywalker is fighting—the ultimate rights holder, the acme of creative content ownership. When Spielberg turns out to be the ultimate evil, we know that the metaphor—otherwise quite cleverly constructed by the freedom fighters—is not just flawed, but misleading, damaging and dangerous. When Spielberg is the ultimate evil, it turns out that creativity is the enemy. It is creativity that Luke and his pals are after.

Mr. Watson: Will my hon. Friend provide me with any example of Steven Spielberg being described as the ultimate evil in this debate? I have not read a single such piece, even though I revere Clay Shirky.

Mr. Simon: It is not those people who couch the metaphor in these terms; I am articulating the metaphor, but the underlying truth is exactly how they seek to characterise the debate. It is very misleading, although it serves them very well. It is Spielberg and George Lucas who are the enemy, along with Andrea Arnold, Shane Meadows and talented, not rich, low-budget British film makers. Yes, the Beatles and the Stones are also the enemy, as are young unsigned bands. I am not talking about super-rich rock stars and film producers, but about struggling young musicians, ordinary jobbing and grafting musicians and film makers—*[Interruption.]* When I mentioned ordinary, jobbing and grafting musicians, the hon. Member for Perth and North Perthshire (Pete Wishart) was bouncing around in his seat in what I take to be agreement.

The 6.4 per cent. of GVA—gross value added—that we derive from these industries is not all about big corporate fat cats, as we are talking about measures to deal with illegal downloading, which are supported vehemently by all the creative unions, indeed all the major unions. We are talking about hundreds of thousands of highly skilled, high-value and high-quality jobs. It is not as simple as "Luke against the evil Sith Lord Spielberg".

Having constructed a fantasy metaphor for themselves to inhabit, the young Skywalker and his wrong-headed pals set up a completely false association of two completely separate issues. In respect of the first, my right hon. Friend the Minister for Higher Education and Intellectual Property will not agree with everything I am going to say, although I suspect he knows that I am right.

Copyright and licensing in this country and in the world need fundamental reform. We are in a new age, and we need completely new paradigms; the likes of creative licensing need to be extended and institutionalised; and we need a much wider, broader and more flexible system of collective licensing across the board in this country. The content industries also need to find completely new distribution models and need to work much harder at new business models. Fundamentally, they need to accept that in the future they will have to work on lower margins; they will make less money and will have to

[Mr. Simon]

work harder and do more for less. They need to get that into their heads and re-evaluate the business models. They can still survive; they can still exist; we still need them; we still need to lead the world in what we do, but they have to change radically and do it differently. I agree with all that and I believe that Luke and his pals agree with it, too. All those things are true, but it does not follow from this that it is no longer appropriate to enforce the law as it stands.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I am listening with great interest to my hon. Friend and I am a great follower of Star Wars. I realise now, however, that my hon. Friend has identified himself as Yoda.

Mr. Simon: It would be un-humble for me to comment on that, but I shall take it as the compliment I assume to have been intended.

It does not follow from the great need we have for reform that it is wrong to enforce the current law. Unlawful downloading is already illegal and has been for a long time. Copyright is not dead just because of the internet. Ownership is not old hat. Regulating the internet is not Luddite or immoral or stupid. It is technically possible, morally right and economically necessary. The fundamental issue here is the correct response to widespread lawbreaking. The answer is not to abrogate the law; the answer is to enforce the law, and that is what these measures do.

Jeremy Corbyn: I understand the point my hon. Friend is making, but does he not think there is a danger that the Bill will criminalise large numbers of imaginative young people and education establishments who frequently share material on the internet and use the medium as a form of creative expression? Are we going to kill all that off and cut people off as a result of this Bill?

Mr. Simon: No, it does not criminalise anybody; all it does is simply seek to enforce the existing law. We should, however, be very careful that the Bill does not have the unintended consequence of bringing about the end of public wi-fi. I was assured by the experts in the various Departments involved in this legislation that there were clearly existing technical measures that made it perfectly possible to run public wi-fi with these measures.

Jeremy Corbyn: How?

Mr. Simon: Obviously, I do not claim to know what the technical measures are, but when I am told that they exist, I take it in good faith that they do exist, and unless my hon. Friend can prove to me that they do not exist—

Jeremy Corbyn *rose—*

Mr. Simon: My hon. Friend cannot prove that to me, however, as I am not going to give way to him again because I have not got the time.

Alun Michael: Will my hon. Friend give way?

Mr. Simon: Very briefly.

Alun Michael: On the point about the only answer being to enforce the law, may I repeat what I said earlier, which is that finding more co-operative ways of doing things that create an environment in which people are less likely to break the law is how to bring all parties together, and that that is how we need to address the governance of the internet? Does my hon. Friend agree that that is the approach we should adopt, rather than an old-fashioned enforcement approach, with legislation and enforcement being seen as the only ways to deal with any problem?

Mr. Simon: I agree, but my point is that it is not an either/or choice. We need fundamental reform and a whole new system of licensing. We need to legislate for sharing, and in future we need to do things in a different way that allows people to reshape, reuse and remix content.

Alun Michael: And share in the way that we legislate.

Mr. Simon: Yes, and we need to share in the way that we legislate, but that does not mean that we abrogate the existing law as if copyright and ownership all of a sudden mean nothing in this country.

Jeremy Corbyn: Will my hon. Friend give way for 30 seconds?

Mr. Simon: I will give way for 10 seconds.

Jeremy Corbyn: Is it really right to contemplate cutting people off from access to the internet at the same time as the Government are spending oodles of money persuading people to get on to the internet and to be accessible?

Mr. Simon: This Bill is not about cutting people off from the internet. There is a very long process for that, which takes at least a year—probably more, in fact. People get letter after letter, then there are two appeals, the second of which is to a judicial tribunal. It is very unlikely that anybody will be cut off as a result of this legislation. If they are cut off, they will be the most recidivistic and unreasonable people who, frankly, deserve to be cut off. Millions of ordinary people who are currently doing something that is unlawful will stop because a new mechanism will educate and inform them about this thing they are doing that they should not be doing.

This is a big Bill and I do not want to talk only about that issue, which has become very controversial. It is also very important to touch on the provisions to do with public service broadcasting. The hon. Member for Bath (Mr. Foster) is no longer in his place, but he mentioned the changes to the Channel 4 remit. I agree with everything he said. Currently, only core channel linear content counts towards Channel 4's public service remit, but this Bill changes that. Under the current remit, Film4 commissioning "Slumdog Millionaire" did not count, and neither did E4 commissioning "Skins". The new remit gives Channel 4 an obligation to commission and acquire original British film. That is incredibly important for the British film industry. It gives Channel 4 an obligation to operate in the digital sphere, which is obviously important, and it gives it obligations with respect to commissioning content for older children—something in which we have a great history but where we are lagging sadly behind at present.

The radio provisions are one of the best examples of the Carter success. From a starting point of great knowledge and expertise, he took a position and plotted a course to drive it forward. I think that digital switchover for radio will happen by 2015, and I think it will happen as successfully and relatively painlessly as—touch wood—the transition to digital television is happening and has already happened.

As for video, in respect of the Bill's embracing of the pan-European game information—PEGI—standards, it is important that we in this House and the Government recognise more than ever that the video games industry is already very important to our national economy. Given the right support and value, it can be a fundamental driver of economic growth in this country over the next couple of decades. We have already done a lot through measures such as the tax incentives in the Budget, and a lot of work and investment has gone into skills and the research and development of video games. This measure in the Bill is widely welcomed as well, but we need to do more and keep driving things forward because other countries are driving harder and harder every month.

Mr. Vaizey: As I am not summing up for the Opposition Front-Bench team, I wonder whether the hon. Gentleman will indulge me if I simply say how much I have enjoyed his speech, what great affection and respect I have for him, and that I wish him well in his retirement.

Mr. Simon: The hon. Gentleman is very kind; I do not deserve such kindness, but he is a very old friend of mine, and I can only imagine that that is the explanation for it.

In conclusion, let me just say to Stephen Carter, "Respec'"—Members will note that I did not pronounce the "t", as I believe one is not supposed to do so—on an outstanding piece of work. Obviously, this is not the perfect Bill, but it is a good Bill.

The Minister for Higher Education and Intellectual Property (Mr. David Lammy): As my hon. Friend mentioned me, I just want to associate myself with his remarks on copyright and also refer him to the copyright strategy, because he suggested there might be some distance between us, and I wanted to say that there is not. The Government accept that copyright is here to stay but is subject to further reform, and I wish my hon. Friend well in Birmingham.

Mr. Simon: On all counts, I am very grateful and stand roundly corrected.

Let me just say in conclusion that this is a big and important Bill that addresses a massive part of our economy—it is a bigger part of our economy than of any other major economy in the world. Some of the Bill's provisions are about people's moral rights, but others are about people's jobs and livelihoods, our national prosperity and the ability of our citizens to live in a country where they can do the kind of things world citizens should in future be able to do. This is a good and important Bill, which I am proud to support by speaking in this Chamber now, for the last time.

7.8 pm

Pete Wishart (Perth and North Perthshire) (SNP): I congratulate the hon. Member for Birmingham, Erdington (Mr. Simon) on making such a fine final speech, and I am sure the force will be with him as he goes off to fight the mayoralty in Birmingham. He will probably go down in the record books as the last Labour creative industries Minister, given that he was not subsequently replaced in that post. I also refer to my entry in the Register of Members' Financial Interests.

I want to take you, Mr. Deputy Speaker, on a perfect Saturday afternoon shopping trip. You have had a fantastic fix of retail therapy and you cannot wait to try out all the new goods you have legitimately bought. Then you come across your local record store and you cannot believe what you see, because hanging in the window is a sign saying, "Everything inside absolutely free." Being the music fan that I know you are, Mr. Deputy Speaker, you are in there like a shot, helping yourself to the top 10 albums. You also take the opportunity to fill some of the gaps in your back-catalogue of favourite artists. You might even think about acquiring the fantastic new album by MP4, the world's only, and best, Parliamentary rock band. In another aisle in the shop there are all the blockbuster releases from the cinema, and you help yourself to them, too, and on the way out there is a shelf with items by the cream of the UK's games industry, and you take a couple of them as well. As you leave, the very nice young man behind the counter says, "Come back any time, sir, you know we're open all hours." That would be patently absurd and ridiculous, but that is what happens online every second of every day. Goods, digital services, films, computer games and music are simply given away for nothing—fantastic works of art, reduced to commodities and products of no value at all.

Nobody refers to such activity as giving things away, or, heaven forbid, as stealing—let us not even go there! It is simply sharing, or peer-to-peer file sharing, to give it its proper name. You might be thinking, Mr. Deputy Speaker, that this is a fantastic idea, and asking why hon. Members are not rushing down to their manufacturing sector or retail outlets to demand that their goods should be shared, too. If it is good enough for the online world, surely it is good enough for these more tangible products—for the electronic goods and furniture that these small businesses make. No, that would be even more ridiculous, because it would ruin any notion of a functional, rational economy.

It seems that it is all right for that to happen online and what we are doing has ruined any notion of a functioning, rational digital economy. If we are serious about trying to grow our digital economy and about ensuring that we have the best creative economy in the world, we must ensure that artists, writers and creators are rewarded for the work that they do. If we do not, we will go nowhere.

One group of people is totally overlooked in this debate. It is not the powerful and influential internet service providers, nor the rights holders, nor, bless them, the consumers, but the artist—the creator, the designer, the inventor. They seem to be totally ignored and forgotten about in this debate. There is no digital economy without the content and no creative industry without the creator—they should be at the heart of all our consideration about the digital economy and the creative industries. It is their imagination that fires it. They must be rewarded for the works that they produce.

So, how does this Bill intend to address that problem? I have seen the hyperbole given by the ISPs and their digital rights friends. I have seen the lightsabers brought out by the hon. Member for West Bromwich, East

[Pete Wishart]

(Mr. Watson) and his merry bunch of friends. It is almost impossible to reconcile what they are saying with what has been proposed. If people were to listen to them, they would think that the Government were going to a big switch and turning the internet off—Armageddon online. I have read clauses 5 to 17, and all they say is that people will get a letter—a notification—that will ask them, ever so politely, to stop what they have been doing. It will just say, "Stop. What you are doing is illegal. Please don't do it anymore."

If they ignore that letter, a second letter will come through. It will perhaps be a little sterner. It will probably outline some of the damage that their illegal activity is doing, tell them that there are alternative sites that they might use and say that they are taking products for nothing.

Mr. Simon: Has the hon. Gentleman noticed that the people who argue that these measures are far too draconian are the ones who, when we say that we are just going to send letters, say, "Oh, that won't work—just sending them letters. They won't take any notice"?

Pete Wishart: That is the thing. All the e-mails that I have received keep on telling me that the Government's proposals will never work, so, if it is never going to work, why are they getting so upset about it? It is ludicrous and I do not understand it. I know that the hon. Member for West Bromwich, East will get to his feet soon and perhaps he will explain that one to me—I have no idea. If this is not going to work and does not concern them, what are they all getting upset about?

Of course, if there is going to be online infringement and serious abuse of other people's property, it is right, proper and appropriate that some sanction should be applied. Even the serial abusers of other people's work would expect that. Of course they should expect it. It is illegal. If someone takes something for nothing—if they steal the works of other people—they should expect a sanction at the end of it. However, the process is lengthy. People will receive letter after letter saying, "Please stop now." Then, possibly, they will be given some sort of sanction. An appeals process will be available if they feel that they have been wrongly identified, but surely it is right that some sanction should be applied.

There is a solution. If people are carrying out this activity, they should not do it anymore. They should just stop. That is the way to solve this. It works both ways. They know that they are doing something wrong; these serial abusers who take so much music and so many films and games for nothing know that. Those who wilfully continue to abuse the property of others must face some sort of sanction.

Michael Connarty: I am grateful to another vice-chairman of the Performers Alliance group in this House for giving way. Is it not a myth that co-operation, as we have heard, could somehow solve this? People are not talking about co-operating and sharing their own thoughts and content, but are stealing someone else's content and sharing that. There is an Armageddon, which has partially arrived in Sweden, where the Pirate party, whose leader is in jail, won seats in the European Parliament on the basis that everybody's work—including MP4's—should be free.

Pete Wishart: I am grateful to the hon. Gentleman, and I pay tribute to the work that he does as chair of the all-party jazz appreciation group—I know that that is something that he particularly enjoys. He is absolutely right—it is not sharing, but taking. Nothing is shared by the people who take this for absolutely nothing. They are not giving anything back in return.

Who opposes these measures? Of course, the powerful internet service providers and their digital rights friends do not like them. The ISPs are the pipes that allow such activity to take place, but they have to accept their responsibility for what is provided by their hugely lucrative infrastructure. To try to solve this problem, they have been encouraged, persuaded and asked to come to the table to try to deal with it. However, apart from Sky and Virgin—who are content rights holders themselves—they have wilfully refused to co-operate or participate, so they must now be obliged to do so by legislation. They have had their chance to come to the table.

Mr. TalkTalk and Mr. BT have been sending me all these briefings about freedom and human rights, but the only people in the disconnection business are TalkTalk, BT and the other ISPs, when they do not get their share. It is all right for the rights holders to give their stuff away for nothing. Mr. TalkTalk and Mr. BT should lead by example and let access be allowed for nothing. Somehow, I do not think that they will be taking up that particular offer. This is where we are in the debate. It is all right for somebody else to give something away for nothing, but if they are asked to give something away, they will not be interested at all. We should be careful in the lessons that we take from TalkTalk, BT and the rest of the ISPs.

Mr. Simon: If someone has a relationship with BT and does not pay their bill, what happens? What is the process, as a rule?

Pete Wishart: As I understand it, if someone does not pay their bill to BT or TalkTalk for their internet service provision, they get cut off. That is what happens. This is the key point—it is all right for everybody else to give their works away for nothing, but they are not prepared to do that themselves.

Of course, we are preached to about human rights and proportionality. What about the human rights of the artists? What about their interests? What about the proportionality of getting a crust for what they produce? Surely that is important, too. These powerful vested interests have objected to any and every measure to tackle illegal file sharing. Every proposal has its faults, every suggestion is a suggestion too far. Fault must be and will be found in every method of trying to tackle this. Those with vested interests simply do not want a solution to illegal file sharing and they will never agree to any proposal to address these problems.

I accept that there are issues with the Bill. There are certain things that we have to reconsider and that have to be addressed. It is not the most elegant solution for the internet account holder to be targeted, but there is no other way to do it. I have not heard any other way of trying to find out how to bring these infringers to task. There is no good way. Being an internet account holder should come with the responsibility to ensure that no illegal activity is conducted in their name or under their contract. There are issues to do with wi-fi hot spots and with universities and colleges, but it takes good faith to fix this. I take for granted everything that the hon.

Member for Birmingham, Erdington said when he argued that there are solutions. Some people do not want to know about the solutions—they only want to highlight the problems and the difficulties. Of course there are solutions. If people of good faith are prepared to work together, we can, of course, ensure that they are solved, but some are not interested in working together to solve this because they do not want to solve it at all.

The Musicians' Union reminds us that the average musician earns less than £14,000. Losing royalties makes the day-to-day struggle even harder. We have heard from the rich, powerful musicians—those who have already made their fortunes from selling their records. If they want to give their music away for nothing and use it as a loss leader to sell other products, that is fine. No one is stopping them from doing that. If they want to give their work away for nothing, they can, but they should not make the rest of the music community and musicians who are finding it tough to make some sort of living subscribe to that. I spent 17 years in the music industry and I made a reasonable living out of being a musician and plying my trade, but I saw people who did not. The vast majority of musicians who I know do not earn that kind of money. When they get a hit single—when they get that lucky break from producing a fantastic song—they are entitled to absolutely every penny that comes from the work that they have produced.

The Musicians Union is hand in hand with all the other unions that are involved in this debate and want to see the aims of the Bill realised. I was grateful to see the letter today in *The Guardian* and *The Daily Telegraph*, I think, from the head of the TUC. The unions and the creative industries have united to ensure that this legislation will happen. Millions of jobs are involved. If we do not deal with this issue, it will have an impact on jobs and prosperity in every constituency. That is why it must be addressed. We have to recognise that our international competitors are moving to protect their digital economies and their creators to ensure that their creative economies keep growing. If we do not act now, there is a strong chance that we will be left behind. If we are to realise our ambition to be a worldwide hub for the creative industries, we have to protect our artists, designers, inventors and creators.

I want to speak briefly about some of the other issues in the Bill. I welcome the DAB radio switchover, which is a good measure, but I ask the Minister to have some sort of respect for all the analogue equipment, such as microphones, that was previously used. We have to find something to do with all that.

I, too, have great reservations about clause 43. As I have already said, everyone should be rewarded and valued for the work they produce, so I am totally with the photographers. We should ensure that they are similarly rewarded. The orphan works idea is a fantastic one, and it is right that those pieces should be brought back into public use, but we have to be very careful about the impact that will have on photographers. I support the measures in relation to Channels 4 and 3 and Five, and I think that what is proposed for Ofcom is a reasonable, workable and sensible solution for the future.

I must say that I feel thoroughly let down by the Government's Business, Innovation and Skills team on this Bill. The way that the Bill has worked its way through Parliament has been an utter disgrace. The Bill should have started in this House; it should have been the business of democratically elected Members of Parliament, not of unelected appointees, cronies and donors. It should have been debated in this place. There is absolutely no reason whatever why the Bill could not have been initiated in this House. I am a Scottish National party Member, and my party does not have any peers in the House of Lords. This is the first time that my party and Plaid Cymru have had a chance to look at the Bill. Surely, it is not right that political parties in this House cannot get proper scrutiny of Bills when unelected peers, appointees, cronies and donors can. Surely, it is our business, and the opportunity for us to have a say on such important measures, especially those that have so exercised our constituents, must be ensured. It is an absolute disgrace that we have not been able to consider the legislation properly. I hope that the Minister will make sure that all of us are included in any wash-up discussions and procedures. It will not be good enough simply to allow us one Second Reading: we have to be centrally, critically and crucially involved in all wash-up discussions. It is not on for the Minister to think that he can casually exclude this House's parties from exercising democratic scrutiny.

The process has been a mess and a disgrace, but we need the measures in the Bill. We do not have any more time; we are bleeding money, jobs and industry from creative endeavours; we need this legislation now, and that is why I will support the Bill this evening. Our creators, artists, inventors and designers—the cream of the UK's creative industries—want this Bill, so that we can continue to have the best creative industry and digital economy. I urge all hon. Members to support the Bill, but I ask that we should, please, never do things this way again.

7.24 pm

Mr. Tom Watson (West Bromwich, East) (Lab): It is of great personal amusement to me that I happen to be following the previous two speakers. My very good friend the hon. Member for Perth and North Perthshire (Pete Wishart) made an impassioned plea for his trade, and I understand his arguments even though they were slightly angry and vexatious at times. You might not know this Mr. Deputy Speaker, but I am something of a rock hero myself, having been a guest lead singer with the hon. Gentleman's band. I sang "Teenage Kicks" at another Member's 50th birthday, and I know that the hon. Member for Perth and North Perthshire would have cleared the copyright and intellectual property licence and all that, because he would not have let me perform live unless he had.

May I also spend some time thanking my very good friend, my hon. Friend the Member for Birmingham, Erdington (Mr. Simon), for his contribution and for his friendship over the years that he has been in this House? He has made a huge difference and has cheered us all up. I have had a few drinks with him in bars similar to those in "Star Wars", and I forgive him, because I think he has just referred to me as the estranged child of Peter Mandelson. If that is the case, he has used his uncanny political antennae to be, once again, ahead of the game. We shall miss you, Siôn.

This week marks the tercentenary of the Statute of Anne, 1710, which was the world's first copyright law. It opens with the words:

"Whereas Printers, Booksellers, and other Persons have of late frequently taken the Liberty of Printing, Reprinting, and Publishing...without the Consent of the Authors or Proprietors

[Mr. Tom Watson]

of such Books and Writings, to their very great Detriment, and too often to the Ruin of them and their families; for Preventing therefore such Practices for the future, and for the Encouragement of Learned Men to Compose and Write useful Books".

So the whole copyright settlement—I cannot be the only one to see the irony of this—came about because the British publishing industry was exploiting our creators and not giving them adequate remuneration for their work. Some 300 years on, a central question for any Government to ask themselves is how they can encourage more people to express themselves by using their creative talents to strengthen our society. Another central question for modern Governments to ask is how they will contend with the disruptive force of the internet. That is a question that we should be answering when we are framing legislation in this House.

I do not believe that this discussion will end today. It will dominate debates in this House for years to come. The next generation of MPs will have to contend with the direct implications that our regulatory moves in the internet sphere will have for the kind of society that we want to live in, and how they will impact on the rights that we all expect to have. How do we promote freedom of speech and balance it against rights to privacy? How do we contend with issues of centralised data gathering and storage by Governments versus rights of control over our own personal information? How do we balance the right to protect intellectual property that the hon. Member for Perth and North Perthshire has talked about against rights of fair use? How do we balance people's right to express their views freely against the need to protect individuals from obscene forms of cyberbullying, for example?

There is an emerging recognition that we need to break down the digital divide in this country, so that there is a right to access the world wide web through universal broadband access. Politicians on both sides of the House have talked about access to the internet as an emerging right. That is why, at the higher end of the debate, people are extremely concerned that on one level we are talking about access to the internet being a right and that, on another, we are talking about practical measures such as removing people's access to knowledge—albeit after sending a letter—and removing the ability to share knowledge using the internet.

It is a very great pity that the Bill cannot be tested in Committee in the light of some of those questions. As a twice ex-Whip, I am rather embarrassed by the fact that the Bill is being railroaded through in the wash-up. Frankly, there has been a squalid deal between the three Front Benches, and they should be ashamed of themselves. The people who care about this Bill—and there are many out there—will see that for what it is.

Before I concentrate on the parts of the Bill that particularly concern me, I want to list the commendable elements that deserve very great praise. First, the proposal on video games classification is long overdue and will give clarity to many families around the country about what content of video games is appropriate for their children to consume. The video games industry in this country has a very big future. It currently employs something like 28,000 people, but with the right Government intervention, there is no reason why we could not have quadruple or quintuple that number of people working in the industry in years to come.

Britain dominates the world when it comes to creativity, and any measure that will help consumers to accept that is to be welcomed. If the PEGI—pan-European game information—classification system is adopted, I know that the industry will engage in a public education campaign, and we should commend it for that.

The proposed new remit for Channel 4 to produce high-quality digital content is also a good idea, although, like my hon. Friend the hon. Member for Sittingbourne and Sheppey (Derek Wyatt), I would have liked it to go further. Channel 4 is this country's digital pioneer: it does amazing things on very small budgets, and I had hoped that the regulatory regime offered in the Bill could have harnessed its creative endeavours a little more. We have talked already about the new powers for Ofcom to regulate the electromagnetic spectrum, and I am especially pleased that the Bill will extend public lending right to e-books and spoken-word books.

There are some very good measures in the Bill and, unlike some other contributors, I believe that the Government have much to be proud of in the digital space. Just last week, in an inspired move, we made 1:10,000 geo-spatial mapping date free for reuse through the Ordnance Survey. Ordnance Survey geo-spatial data is the jewel in the crown for data mashers up and down the country, and the move will foster a great sense of innovation and an explosion of creativity in the digital space. Freeing up data, liberating talent and catalysing creativity: these are the elements that we should be exploring in the Bill.

Earlier, I said that this debate was not new. We have been contending with ways to manage our collective intellectual capital since the Sumerian merchants of 5,000 BC made small marks on clay tablets to show their daily trades. The difference today, of course, is the sheer scale of the task.

How do we contend with what Richard Saul Wurman describes as a "tsunami" of data? Human beings produce five exabytes of recorded information in a year; that is 40,000 times the number of words stored in the British Library.

Kryder's law is the almost mystical formula that says that digital capacity will double every 13 months. It means that we can now super-process acres of data that could not be digested even 10 years ago. If the law remains accurate, we will be able to store all the content ever created in history on a single iPod by 2025. Given the level of technological advance and the pace of change, is it any wonder that many people believe that the current measures for policing file sharing are simply pointless?

Cheaper computing has created an industry and new thinking on information technology. In his book "We-think", Charles Leadbeater makes the point that

"thanks to rising educational attainment, spreading communications and cheaper technology, innovation and creativity are becoming increasingly distributed".

I think that the measures in this Bill will make it harder, not easier, for people to share knowledge and ideas through the internet and I am, frankly, baffled as to why any political party, on left or right, would want to go down that route.

I know that the worthy intention of those on all three Front Benches is to defend our creative industries. Everyone in this Chamber wants to do that, even though

my hon. Friend the Member for Birmingham, Erdington has comically parodied my position, to the amusement of all. However, more enlightened members of both main parties privately tell me that they know that the copyright measures in this Bill are nonsensical. They say that they will give the big publishing interests that dominate the debate in this country a period of respite, during which they can compose themselves while they consider their next moves in the internet age.

I admire the Bill's motives in respect of copyright, but there is an opportunity cost associated with defending old publishing interests. Innovations will not stop in our competitor countries while we give the UK record industry time to think.

There is a less charitable, more sinister view of this Bill. I readily admit that it might play into the conspiracy theories so ably portrayed by the previous two speakers, but the attempts to create artificial scarcity with information goods represent a second enclosure movement in this country. The intangible assets of our society are being packaged up in a contemporary expansion of intellectual property.

As the Bill's supporters and critics make claim and counterclaim about the economic benefits of the measures contained in it, one thing has been abundantly clear to me throughout the debate. It is that there has been a huge and unprecedented lobbying operation by the old publishing interests. They are the beneficiaries of enclosure, and they have dominated the argument for months.

Michael Connarty: I respect my hon. Friend's forward thinking, but he obviously has not studied his history. The enclosure movement took away the enclosures around small fields to make larger fields so that larger technologies could be used. When all enclosures were taken away in America, the ultimate result was that the wind blew the topsoil off the land and the people starved. I think that he has got his analogy entirely wrong.

Mr. Watson: My hon. Friend and I could debate the historical complexities of the enclosure movement, but I have only four minutes left. Perhaps we could have that discussion afterwards.

The big publishing industries tell us that an expansion of property rights and enforcement are essential to fuelling progress and continuing innovation in this sector. They believe that we need more copyright laws, a scaling up of enforcement, more policing of the internet, and a greater intolerance of that most human of traits—sharing.

This Bill, outrageously in my view, is going to be forced through in the wash-up. When it is passed, however, there will remain some unpalatable truths that the next Government, and advocates for the position of big publishing in Government, must deal with. The internet exists, and it is not going away. Whatever technical measures are taken to enforce scarcity will fail. Even in China, where there are 30,000 internet police, people are sharing ideas, information, news, music and art at an ever increasing rate.

It is hard to describe to colleagues how our digital natives—the people who entered the world of work without thinking of the internet as a "new" technology—think about the anachronistic ideas that underpin the thinking behind this Bill. They understand the power and the beauty of the serendipitous hypertext link, and believe that it is part of human nature to take an idea and use it—to play with it and remix it into something new, as the hon. Member for Mid-Worcestershire (Peter Luff) described.

If hon. Members are beginning to think that I have taken leave of my senses with that comment, they should think about the Gene Hunt poster. What are the barriers to entry for young people who want to make a political statement? To take control of two images, they would have to sign a cumbersome licensing deal so that they could remix them and thus spark a debate, but in fact the remix event that took place caused thousands of young people to talk about the future. If we do not accept that that represents a cultural change in Britain, we will be forever doomed to holding debates that will appear merely futile to those young people.

The hon. Member for Maldon and East Chelmsford (Mr. Whittingdale)—the Chair of the Culture, Media and Sport Committee—and I often look in different directions on policy, but we agree solidly that making legislation on the hoof, as we are doing now, lets the law of unintended consequences kick in. The hon. Gentleman talked about legitimacy. I shall quote from one of the great copyright debates of 1841. Talking about reform of the then law, the great Lord Macaulay said:

"At present the holder of copyright has the public feeling on his side."

That might be true.

"Those who invade copyright are regarded as knaves who take the bread out of the mouth of deserving men. Everybody is well pleased to see them restrained by the law, and compelled to refund their ill-gotten gains. No tradesman of good repute will have anything to do with such disgraceful transactions. Pass this law: and that feeling is at an end. Men of a character very different from that of the present race of piratical book-sellers will soon infringe this intolerable monopoly. Great masses of capital will be constantly employed in the violation of the law. Every art will be employed to evade legal pursuit; and the whole nation will be in the plot. On which side indeed should the public sympathy be when the question is whether some book as popular as Robinson Crusoe"—[*Official Report*, 5 February 1841; Vol. 56, c. 356-7.]

I end there, because I am nearly out of time. There is no legitimacy in these measures, and the Bill will be honoured in the breach.

7.41 pm

Mr. John Redwood (Wokingham) (Con): It is a disgrace that the House is not treated with courtesy by the Government. It is quite wrong that a Bill of such importance and magnitude was not tabled earlier. It is quite wrong that there is an attempt to rush through all parts of the Bill without proper scrutiny and debate.

Not so long ago there was general agreement on both sides of the House that the House had not done a serious enough job of scrutinising legislation and providing the kind of commentary and critique of draft legislation that it should. The House was right to understand that there is a concern out in the country that this Parliament, of all Parliaments that I have had anything to do with, has let down the public by not getting sufficiently involved, and not finding a way of making the Government give it enough time to do the job properly.

We have heard from Members on both sides of the House why we need time to discuss the Bill. There may be quite a lot of agreement about some of the important

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things in the Bill. I am sure that no one in the House begrudges a great artist or creator of music or words fair return for their labour, but many complicated issues are involved in determining how we secure that return without impeding too much on everyone else's freedoms. It is difficult to do it in the rather clumsy way that the Government have come up with so far in the relevant early clauses of the Bill.

We need scrutiny not just of the things that cause disagreement across the Chamber—there are several of those, as we heard from Front-Bench speakers on both sides of the House at the opening of the debate. We also need scrutiny of the things that the Chamber largely agrees about, because it is in those areas that it is more likely that mistakes will be made—that the language will be wrong and that the Bill will not carry into effect what the House wishes, because the Bill will have got through without the challenge that we need.

It was for good reason that our predecessors in this place said that there should be a Second Reading of Bills to discuss the principles—"Is it a good idea to have a Bill on this at all?" "Broadly, how do we go about doing it?"—then a little pause to reflect on the Bill, and then a Committee stage, on the Floor of the House for important Bills or upstairs for others. Members of the House most interested in the legislation could go through the Bill line by line, mainly asking the question, "Will this particular phrase, clause or line help us achieve the aim of the Government?"—or the common aim where there is general agreement.

This Government have had 13 years to introduce important legislation on the digital revolution. I cannot believe that any previous Government dared to hold a Second Reading of an extremely important Bill after they had announced the intent to dissolve the House as quickly as possible. It beggars belief that this Government could insult the Commons, and the public we represent, in that way so shortly after it was a matter of common agreement that we needed to do a better job of scrutinising, debating and discussing legislation for the sake of enacting legislation that works.

The legislation has 11 principal areas and themes. The debate in this shortened time available for Second Reading may discuss only three or four of them in detail; most will go unremarked, or will be mentioned en passant by speakers mainly interested in something else, because there is not even proper time for a full Second Reading debate, because there were questions, statements and so on before we got to Second Reading and we are all under time pressures to limit our speeches as a result. Naturally, Members are concentrating on the things that are most difficult or that matter most to them, so those of us concerned enough to be in the Chamber will only be able to discuss some elements. It is quite understandable that, now that an election has been called, some Members feel they have duties elsewhere. If they feel that they are not immediately required for a vote, they may be tidying up their affairs or communicating with their constituents. This is not a good time to be discussing something so technical, difficult and important.

One of the big issues that we have heard about so far relates to the powers that the Secretary of State should take under the legislation and the powers that should be delegated to Ofcom to tackle copyright infringement. The House will know that I am the author of johnredwood.com. Members may know that I do not seek to charge anyone for using that wonderful resource about modern British politics, and they may also know that I have received several offers from people wishing to advertise on my site for a reasonable fee and I have always turned them down because I do not want it to be a commercial site.

Like me, many people see the web as a wonderful means for creating a community of people interested in a subject that matters to them. It can create argument, discussion and debate, and provoke ideas, viewpoints and discussion, which is entirely helpful to the democratic process or whatever interest has led people to set up a site. As has been said, even under this rather crude legislation, there is nothing to stop people such as me continuing to offer a free service without worrying about infringement of copyright. I should be happy for anyone to reproduce anything I have written on the site as long as they do not libel me or lampoon it too much. It is perfectly good for people to use the site; it shows that the site is of interest and of use.

However, there are people who are trying to make a living from their creative work and they naturally want a sensible legal framework that enables them to protect their legitimate intellectual property and to continue to make a living. We know that the internet has brought great good. It has involved many more people in many more activities. It informs people much better and enables them to research much more quickly and easily topics of interest to them. It allows communities to communicate one with another and allows events to be publicised. It brings all sorts of goods to local society. I hope Members share the perception that there is much good in the internet and would not want the legislation to damage in any way the good that the internet can do.

Let us think about the comparison with protecting the copyright of an author who chooses to publish their written words not on the web but in the form of a newspaper or magazine article, or a book. In the past, many of us in the House have written articles or books for which we may have been paid small sums. We have some protection in the copyright under existing copyright laws. The House should remember, however, that there is no comprehensive protection in copyright law for the written word published in those ways. If I publish an article or a book, I am sure that people may lend the book or article to others for free, and I have no right to say, "You must not do this. I demand a royalty every time that book or article is lent to somebody." We do not go that far. We feel that it is part of a free society to allow people to lend books or articles to their friends, family, neighbours or whoever.

It is also probably the case that, quite often in the furtherance of education, the better articles—one hopes—and the better chapters or sections of books are reproduced on copying machines and used as teaching materials that are provided to pupils and students in schools and universities. I am sure that very often the school or university does not bother to contact the author to seek permission and does not bother to ask the author whether they would like a token payment to allow them to reproduce such material. It would be a pretty odd author who got really hot under the collar about that and started to sue the schools, although they could, because they would understand that such activities are

quite helpful to them in building their reputation and name in some ways—again, assuming that their work is not lampooned or completely shredded—and one has to live in a free society and we want people to be educated. We should approach any suggestion that we need tighter regulation of the internet with that in mind. We are not looking for something completely comprehensive. We need to live and let live.

Quite a large number of people outside the House are worried about our rushing through, for example, clauses 10 to 18 tonight—if that is a serious proposition between the two Front-Bench teams—because although if many of those people were challenged they would probably say, "Yes, of course, someone who has sung or written a great song should get some money for its reproduction," they are very worried that we will criminalise people who are doing very minor things that are quite normal to do with, for example, copies of magazines and newspapers, that we will get the wrong people, or that the person who has a series of internet facilities in an organisation will be picked on when they cannot control the use of such material or cannot even establish who used it or whether it was a persistent offence.

A lot of this could be sorted out if we had time to go into the detail and if we had time to examine the language that the Government propose, to discover whether they have got the balance right. All hon. Members would agree, from whichever direction they approach this argument, that we need a balance. No one says that there should be no copyright at all for anything. No one would take the opposite extreme and say that, every time that anyone says, does, sings or whatever anything, that creates an important copyright that they should be able to defend against everyone. That would be ludicrous, and it would greatly extend our traditional copyright law on newspapers and books. We need a workable compromise.

I will not have time to consider these clauses in any detail, I am afraid, because my time will be artificially restricted by the guillotine and the proposals for today, although they are wide-ranging enabling clauses. If people are worried, such clauses lead to greater suspicion. We are invited to believe that, under the orders that will implement these wide-ranging clauses, provisions will be made that will produce such a judicious balance. We are being asked to buy a pig in a poke, or to sign a rushed cheque against an invoice that we have not been sent. That is not good practice. We need more from Ministers to persuade us that they have thought through these complicated issues about balance and that they have in mind practical orders that would not make unreasonable intrusions into the freedom of those who provide such web and internet services and would not restrict the rather minor examples of freesharing that are common in a free society and that one needs to be able to enjoy.

Richard Younger-Ross (Teignbridge) (LD): Does the right hon. Gentleman accept that any draft orders under the Bill, if it goes forward, should be amendable? My hon. Friend the Member for Bath (Mr. Foster) intends to make that proposal, and we hope that the Secretary of State will take it on board.

Mr. Redwood: That would be most unusual. I have served on a good many order-making Committees in my time, and one of the most unsatisfactory things is that it is a take-it-or-leave-it process and the Government always say to vote to take it. So we can argue an extremely fine case and say that sentence 3 should be rephrased in the Government's interest, and they will still do absolutely nothing about it because the junior Minister does not have the power or the interest and intends to ram the order through in its current form. That naturally leads to suspicion, most obviously among hon. Members, but also outside the House. If we leave all the big judgment calls on the censorship of the web—this is really about censorship—to a set of orders that we cannot see and do not know about, it is asking too much, this close to a general election. This is extremely sloppy work, which we all find very worrying.

I am glad that my hon. Friends who sit on the Front Bench find some things in the Bill with which they profoundly disagree. I am tempted to say that the Government should take the whole thing back and do their homework properly, and it would be for the new Government to sort all this out when they are chosen by the British people on 6 May, but I understand that the mood of the House is to try to reach some kind of accommodation. I urge my hon. Friends to be extremely firm, because we have absolutely no need to take half-baked and ill thought-out legislation from the Government this late in the day, when it is their fault that we are in this position, as they had five years and a thumping great majority to put any sensible proposals through the House that could have come to the relief of the creative industries. They chose not to do that, and they are now attempting to bounce us at 5 minutes after midnight, when it is already well known that the House is closing down with the current management and all will be put out to the electorate to decide who should run it in the future.

My hon. Friend the Member for South-West Surrey (Mr. Hunt), who initiated the debate for the Opposition, very wisely said that the Government are showing their true socialist colours and that all they ever believe in is more taxes, and there is more tax in this legislation, more regulation, and there is tons more regulation for Ofcom of a kind to be specified later in orders, and more subsidy, when all else fails or when they are trying to do something that the market and the general public are not sufficiently interested in for it to be a commercial proposition. The Bill has all three elements. That is surely another reason why my hon. Friends who sit on the Front Bench should be extremely sceptical about allowing great chunks of the legislation through, when there is concern outside and a lack of precision in the legislation, when these unwelcome features will intrude into an area of business and social life that is a great success in this country under the current regime, which is perhaps a little chaotic, and when we should be proud of so much achievement in the world of the web and in the creative industries that we see outside.

Unfortunately, my time is up. I wanted to speak about half a dozen other important elements of the Bill, but I am not allowed to do so, only because the Government, once again, so hate the House of Commons that they will not give us time to consider these measures properly.

7.57 pm

John Robertson (Glasgow, North-West) (Lab): It is a pleasure to follow the right hon. Member for Wokingham (Mr. Redwood), because that means that he has finished.

[John Robertson]

He adds to the point scoring of the hon. Members for Maldon and East Chelmsford (Mr. Whittingdale) and for Mid-Worcestershire (Peter Luff) against the Government and the Bill, but they then turned around and said that they will support it. It would appear that, as my hon. Friend the Member for West Bromwich, East (Mr. Watson) would say, they have capitulated to Ministers. I am quite happy for them to do so; I know that my hon. Friend will not be, but there we go. Regrettably, I agree with much of what was said by the hon. Member for Perth and North Perthshire (Pete Wishart), but I am sure that I can find something that I do not agree with in what he said. He will also support the Government tonight, which obviously makes a pleasant change—not something that he does very often.

Sadly, now that the election has been called, my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt) will be leaving us. He and I have been joint chairs of the all-party parliamentary group on communications. He is a great man who has great ideas, and I certainly listen to him. I hope that he will go on to greater things in the years to come. I will miss him in the group, and I am sure that the House will be a poorer place for his having passed on to other things.

I agree with a lot of Opposition Members and some of my hon. Friends in that I regret the fact that the Bill did not start in this House. I have always felt that we, as Members elected by the people, should have the first say on any Bill and that the other place should scrutinise what we do. That is particularly the case for a Bill such as this, which will have a great impact on many of my constituents. The number of e-mails that I have received over the past month or so shows that more people are interested in the Bill than I had thought, so we should have proceeded in that way. However, as we heard earlier, we are where we are and we have to move on; I just wanted to put that on record.

I want to touch on some aspects of the Bill relating to broadband that have perhaps not been discussed. I should declare an interest: I worked for BT for 31 years and my wife still works for the company, which explains why I might be nicer to BT than the loyal Opposition. The Opposition still have hang-ups about British Telecom and the BBC. It is a bit like the attitude of the hon. Member for Stone (Mr. Cash) towards Europe—unfortunately he is no longer in the Chamber. He cannot get his head around normal things when talking about anything to do with Europe and, sadly, the same applies to the Conservative party when it talks about BT and the BBC.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The hon. Gentleman has declared his interest in BT, but he also came out with some interesting remarks about the Conservatives' position. I shall put a straightforward question to him: is it right or wrong that BT should be able to keep control of its ducts? Why cannot we open up those ducts so that other competitors can use them? Surely that is a much cheaper way to allow broadband to be shared than that which the Government propose.

John Robertson: I thank the hon. Gentleman for his comments; funnily enough, that is where my speech is going.

Part of my job in the industry related to the people who maintained the ducts and put cables down them. When the law was changed around the time of privatisation, cable companies were allowed to dig up our streets. They destroyed our pipes, ducts, pavements and roads, especially in my constituency—Old Drumchapel and Blairdardie were a nightmare afterwards—but did not reinstate everything as it was. I have a great fear that the Conservative party wants to give free access to the ducts, as well as to water, the sewers and electricity pylons, but I do not believe that that access can be free. Not just anyone can be allowed to interfere with the infrastructure of our water and electricity—or any form of our utility and communications networks—without someone overseeing the process.

I would not have a problem with Ofcom, Ofgem or Ofwat carrying out such oversight but, in this instance, the company that has carried out the role is BT. It must be more open by allowing other companies to use its facilities and equipment, and I think that it is going down that road, but I do not believe in a free and open market in the way that the hon. Gentleman does that would allow companies to come along with cowboys who would destroy our infrastructure. I can tell him from first-hand experience that that was exactly what happened, and I had to pick up the mess and talk to the customers who blamed BT for it, although it was not the company's fault.

The points that the hon. Member for South-West Surrey (Mr. Hunt) made about BT showed that he had no idea about how to maintain an infrastructure of such size. Whether one is dealing with ducts, pylons, or water and sewerage, there must be someone who knows exactly how they are maintained. If companies are then allowed to carry out work, they must do so according to that person's rules.

We hope to roll out 2 megabits per second broadband to everyone, which is quite ambitious, as other countries' provision does not go as high as that. However, that means absolutely nothing if it is not possible to achieve that speed. The Bill does not address in any way, shape or form the great problem of bit rates for uploading and downloading. Broadband equipment is sold that will allow someone to get 8 megabits per second, but that is a maximum figure. If Ministers were to guarantee the people of this country a minimum of 2 megabits per second, I would say, "Wow! That would be some feat." However, saying that everyone will get 2 megabits per second means absolutely nothing if the majority of people end up with only 1 megabit or even 0.5 megabits per second.

The companies that sell on broadband need to be brought into line. There is talk of speeds of 100 megabits per second, and then we will talk about 200, but that will mean nothing if it is impossible to achieve that speed. The Bill should set out a "minimum of" figure, rather than a maximum. The maximum figure means nothing if everyone in an area is using broadband at the same time, because they all suffer and are no better off than when they used the modems in their computers. I fully support Ministers in what they are trying to achieve, but we should be a bit more on top of the companies in question.

My right hon. Friend the Financial Secretary knows how I feel about the 50p levy. People in my city of Glasgow can get broadband, but the uptake is between

30 and 40 per cent., which is well below the British average of 60 per cent. I do not know how take-up can be encouraged when a 50p levy is being introduced on the poorest people who will not have broadband or any thoughts of getting it, but will be stuck with paying an extra £6 a year. That will drive people on to cheap pay-as-you-go mobiles, which is the way in which most poor people in my constituency communicate. People using those mobiles will be asked to pay nothing, or at least very little, so we must look at the proposal again.

As has been said, I spoke about file sharing at a conference in Washington. If it is any consolation to hon. Members, there might be the same problem there as here, as there was no consensus on whether file sharing should be allowed. I would say to my hon. Friend the Member for West Bromwich, East and others who feel that the Bill should be thrown out that we need to start somewhere—doing nothing is not an option. It is not the Elton Johns and Paul McCartneys of this world but the small people we have never heard of—the Joe Bloggs of the music world—who need some kind of protection as they try to make their living. They cannot have people stealing their endeavours and taking away their hard-earned rights to money that could make a difference to them and their families.

Eric Joyce: I completely sympathise with what my hon. Friend says about the much needed earnings of Joe Bloggs, but does he agree that enacting flawed legislation is the wrong way to proceed?

John Robertson: I understand what my hon. Friend is saying, but it is a little like my hon. Friend the Member for Great Grimsby (Mr. Mitchell) who, when asked what he would do, said he did not know. I know that we have to do something. Identifying people and writing to them is a long process, but my hon. Friend the Member for Birmingham, Erdington (Mr. Simon) made a good point. By the time people are at risk of being cut off, they probably deserve to be cut off.

The problem arises when young people are involved. I go back to an intervention that I made on my own Front-Bench team, about whether we should criminalise young people for doing something that all their friends are doing. I may own a computer and have access to the internet, but my child is using it to download material and put it on their iPod, MP3 player or whatever they have, and I get the blame for it because access was granted to me. I hope it would be possible to make that clear in response to letters telling me that I was doing something illegal. Children are not always great at telling their parents everything they do. What are we going to do to safeguard the child who is doing only what their friends at school are doing? They do not believe they are doing anything wrong. We need to educate them.

The other problem is how we educate the parents. Children now know a lot more about the internet and how to use it than their parents. There does not seem to be anything in the Bill to cover a parent who, by accident, falls foul of an ISP because of their child's downloads.

Mr. Watson: To stretch the metaphor used by my hon. Friend the Member for Birmingham, Erdington (Mr. Simon), I feel the force in this one. I sense that my hon. Friend the Member for Glasgow, North-West (John Robertson) has doubts about the practical enforcement of the measures in the Bill. Does he believe that we are walking down a road that we might later regret?

John Robertson: I understand what my hon. Friend says. I will not go back to the Star Wars reference, because it might be said that I look more like Chewbacca than Obi-Wan. However, it was a good metaphor for thinking that we are doing the right thing when we are not. I believe that that is what my hon. Friend is doing. His ideals are correct, but by saying that we should do nothing, all he is doing is encouraging illegal downloading.

If, after all the time and effort that has been expended discussing the issue in this place, we come to the conclusion that we should do nothing, we are, in effect, telling the public that that is legal and they can do what they want. That is not right.

Michael Connarty: I compliment my hon. Friend on the part of his speech that I heard earlier. This is a fringe discussion. As boasted in the e-mails that we receive, 17,000 people have written in on the issue over the past week. As my hon. Friend pointed out, 50 per cent. of Glasgow city do not have access to the internet. That is the great problem. People cannot get on to the internet and get access to the new technology. That, surely, must be the priority for the Government and every other Government.

John Robertson: That needs no answer from me. My hon. Friend is spot on.

In conclusion, doing nothing is not an option. If we do nothing, we send out a bad message—that I can download anybody's work, anybody's films, anybody's music, I can steal any photograph I like or do anything else I want, and Parliament has told me that is okay. The politicians in the House will have said that today, by not backing the Bill. I do not want to go down that road. There is much work to be done. No matter who wins the next election, they will have to pick up the issue and run with it. I believe that will be us; I hope it is, because we will do it justice, whereas the Opposition parties will act in their own self-interest. The important thing is to make sure that the people are looked after, but that if they take somebody's work or somebody's livelihood, they pay for it.

8.14 pm

Fiona Mactaggart (Slough) (Lab): In my maiden speech, I spoke about the human right to read, because it seemed to me that access to the printed word ought to be treated as a human right. One of the interesting aspects of the debate about the internet is the growing recognition that in exactly the same way, because it gives access to information, we should treat the right to access to the internet as a human right, and that if we recognise it as such, we will create a better, more equal, more informed, more educated, better connected society.

I represent a town that generates a huge amount of wealth in the creative industries, and I am very concerned to ensure that creative individuals are properly rewarded for their talent and their contribution. The Secretary of State referred to the growth of the creative industries in the UK compared with that in other countries over the past decade. I was proud to act as Parliamentary Private

[Fiona Mactaggart]

Secretary to the first ever Secretary of State for Culture, Media and Sport who, I believe, played a critical role in recognising the strength of the creative industries.

We are about to make a mistake, not because of mala fides or bad faith on the part of the Government or the Opposition, but in the way that Parliament often makes its biggest mistakes, which is when all parties agree. In those circumstances, we take short cuts, make mistakes for good reasons—in this case, to protect creative professionals—and end up with bad laws. Many of us can quote examples of bad laws that have been passed. Sometimes they are bad in their execution—the Dangerous Dogs Act 1991 is frequently cited—and sometimes they are bad because, even though we keep trying to get the legislation right, we do not succeed, even though it is right in theory, such as making fathers pay properly for their children. I do not know why I still have so many such cases turning up at my advice surgery, but I know I am not alone in that regard.

The parts of the Bill which are designed to protect copyright on the internet, to prevent file sharing and so on are hugely at risk of going down that road. I was rather entertained by the comments of the hon. Member for Bath (Mr. Foster) who, at one point, drafted an amendment and within a few hours was campaigning against said amendment. That illustrated the point very well, because he was trying to deal with what he saw as a wrong. It turned out that that was not very popular in his party and the amendment did not do what he wanted it to do, so he tried to amend it again. That is what the Committee stage of a Bill is for.

I am deeply concerned that what we are about—*[Interruption.]* The hon. Member for Bath might agree, but he will be part of the Front-Bench conspiracy that makes us end up with an unamended Bill and without the scrutiny that we need. This Parliament has shown itself to be utterly feeble in so many ways, and in our dying days we really should not continue to be utterly feeble.

Mr. Don Foster: Will the hon. Lady give way?

Fiona Mactaggart: I shall give way—although the hon. Gentleman did not give way to me.

Mr. Foster: I gave way to Members on numerous occasions, and I am therefore particularly grateful to the hon. Lady for giving way. May I make it absolutely clear that if clause 18 remains in the Bill, we will vote against the Bill on Third Reading? I do not think anything could be clearer than that.

Fiona Mactaggart: The hon. Gentleman has an advantage over me, as does BT, because they have seen a new version of that clause, but I have been to the Vote Office and I am not aware of what the clause says. I speak as a parliamentarian, within hours of the Bill's Committee stage, and I am unable to see that new version, so I do not know what is going to be proposed. He might well know, but I do not. I went to the Vote Office to ask for a copy, as is usual for a Back Bencher, and I spent quite a long time standing there, but there is a simple reason why the Vote Office cannot provide me with one: we have not yet given the Bill a Second Reading, and the Vote Office does not provide amendments to a Bill until it has had its Second Reading.

Right now our debate is closer to that which we would expect in Committee. People are focusing on little bits of the Bill and talking about potential amendments; they are not talking about the principles, because interestingly the pretty much shared view—with some tensions—is that we need to address certain principles. I found myself, scarily for the second time in two weeks, strongly agreeing with the right hon. Member for Wokingham (Mr. Redwood)—not a man with whom I have frequently agreed. However, his point is that sharing can sometimes enhance understanding and knowledge.

I discovered the work of Christopher Brookmyre because Waterstone's published some free chapters of his books. I read them and then bought all his books, and that is not unusual. I was completely unaware of "Ashes to Ashes" and Gene Hunt, so when I saw the advertisement that everyone was going on about I had no idea why it was clever because I had never watched that programme. However, one thing about shared intellectual property is that it can create a market for that property, and I am frightened that the Bill does not address that issue with enough subtlety. We are not creating the opportunities to make the most of the internet and commercial exploitation. As I understand copyright law, it bites not when somebody copies a chapter of a book for their own interest, or borrows a book from a friend, but when someone tries to make a profit out of somebody else's intellectual property. That has traditionally been the area in which copyright law bites.

On the Bill's approach to that issue, there will be mums throughout the country running internet micro-businesses, booking nannies or finding cleaners, for example, and I am anxious that if their sons illegally file share, those mums will end up having their businesses closed down. The parliamentary scrutiny process is designed to eliminate such risky consequences, but I predict that unless we properly scrutinise this legislation such businesses throughout the country will be closed down. The hon. Member for Bath said, "Is it all right if it is a special super-scrutiny system that has to be amended?" and so on. I have not seen one of those systems. We should do more through secondary legislation, but he and I have sat on secondary legislation Committees and they are not places where scrutiny occurs; they are another example of pathetic oversight by Parliament.

I said earlier that this Parliament has let itself down. If we allow this Bill to go through in this way, with a Second Reading after the election has been called, we will demonstrate that the public are right to think that we are pretty pointless, and that we do not have the courage of our convictions. Every single Member will demonstrate it. Every single Member who argued for parliamentary reform—I see some present, including the hon. Member for Bath—will shame themselves if they consent to this process. However important the Bill is, it will be just as easy for a new Government to say, "We will put in place these building blocks" if they are so essential. It is just not acceptable for the Opposition Front Benchers to say, "Whoops! If it doesn't work, we'll come back with something a month later." They are actually saying, "We're not prepared to do our job."

However, I am prepared to do my job. I do not believe that this is the right way to proceed, and unless the Minister says in summing up something utterly compelling about how those issues will be dealt with, I will not be able to find it in me to support the Bill.

8.25 pm

Mr. Neil Gerrard (Walthamstow) (Lab): I shall try to be brief, because many of the issues that I wanted to discuss have been covered. This is probably the last time I will speak in the House, so I am glad to be discussing an important Bill.

Most of the comments have been about file sharing and internet access, and there have been a few about orphan works. Other important aspects that most of us think worth while have also been mentioned. Only two clauses deal with video games, but absolutely everybody thinks them worth having. Perhaps the clauses dealing with the future of Channel 4 do not go as far as they should, but they are worth while. There are also clauses dealing with public lending rights, and most in the radio industry say that they favour the provisions on local radio, although a minority do not want them. A lot of the Bill might not be perfect and could have gone a lot further—some Members have mentioned wider issues that should have been looked at—but much of it is good and worth having.

From my point of view, the real problem with the Bill is what my hon. Friend the Member for Slough (Fiona Mactaggart) has just been discussing—the process that we are using to deal with it. Obviously, the clauses that deal with copyright infringement are the really controversial ones. In his opening speech, the Secretary of State mentioned the length of time taken in the Lords to consider the provisions on that issue, and the fact that the Bill arrived back in the Commons, from the Lords, a month later than expected. He seemed to use that as a justification for not spending much time on it in the Commons. I would come to exactly the opposite conclusion: if a Bill has spent so long in the Lords that it has ended up coming back here a month later than expected, that tells me that it involves complex and controversial issues and needs some real scrutiny in this place. It is not going to get that, and that is the problem.

I probably agree with a lot more of the Bill than some of my colleagues who spoke earlier and some who have yet to speak. I have not pleased some of the people who have sent me e-mails about the subject and seem to argue that we should not do anything about illegal file sharing. That is not because I am particularly concerned about the profits of the big players in the music and film industries. Like some others who have spoken, however, I am concerned about the effects on the livelihoods of individual performers and artists. They are not necessarily high earners and they do not necessarily get huge royalties. Furthermore, it is not anachronistic to support the trade unions that represent those people and say that they think something needs to be done about illegal file sharing.

Some of the arguments put by those who sent e-mails and lobbied about the Bill seem completely spurious. For instance, to suggest that a little research somewhere that says that people who illegally download also spend more, and that that somehow justifies the illegal downloading, seems total nonsense. If I went into a book shop or record shop and stole a CD or book, it would hardly be acceptable for me to say in my defence, "Well, actually I spend more than average in this shop." I would be laughed out of court. It is theft to do that, and it is theft knowingly to download something illegally.

Of course, if an artist wants to make their work freely available on the internet in the hope that it will encourage someone who listens to it or reads it to go and buy more of their stuff, that is fine, but it should be under the artist's control. They should make the decision and have control of their own work. The problem is how we can ensure that and whether the detail in the Bill does so in the right way.

The "Digital Britain" White Paper rightly contained a lot of discussion about educating people. I suspect that often, people who download illegally do not really attribute any value to what they are downloading. That is not surprising considering the price that DVDs are often sold for in the shops now. Pretty well every Sunday of the year, one can pick up a newspaper that has a free DVD with it. To some degree, people thus get a false idea of the value of what they download. There should be education, and perhaps the warnings suggested in the Bill will work, but I am not convinced—they may work on some individuals, but not on those who create the websites that generate illegal downloads and offer the software that allows people to overcome DVD encryption and the like.

The problem is quite clear. As has already been said, we will not have the time to deal with the Bill properly, work through the detail and get it right. As my hon. Friend the Member for Slough rightly said, when Bills are rushed through with agreements between the Front Benchers, that is often a bad sign. It often means that the detail has not been examined, which proves to be a problem later. We have not seen what the new clause 18 will mean, or at least those of us on the Back Benches have not. It seems from what was said earlier that there will be a deal between the Front-Bench teams.

Mr. Don Foster *indicated dissent.*

Mr. Gerrard: I notice the Liberal Democrats are still denying that there might be one. I am interested in their position on clause 18—having proposed it, they later decided that it was a dreadful thing and had to be opposed.

Mr. Foster: Not enough consultation.

Mr. Gerrard: The hon. Gentleman may say that, but I suspect that it had rather more to do with a campaign that came rumbling along, with a lot of e-mails being sent, and in typical Liberal Democrat fashion they jumped on the campaign, no doubt thinking that it would get them one or two votes. The serious point is that we will not have enough time tomorrow. We should not be rushing through a Bill that could have serious effects on individuals.

We have heard in earlier comments that the provisions on orphan works might not end up in the Bill. They started as a discussion about opening up the use of archives at the British Library, photograph libraries and so on, where there is a lot of interesting stuff whose copyright holder nobody knows. The Bill now seems to have moved a long way from that. One or two professional photographers who have approached me about it are worried what the effect on their work may be. Although the Bill states that people are supposed to search for the copyright holder, will they actually do so or will it provide an opportunity to exploit the work of someone who will then have the problem of tracking down their work and getting it taken off the register? Again, the problem is the detail of the provisions and the process that we are going through. I do not know, because I have not seen the timetable motion, but I suspect that we will have no more than two hours to deal with the

[Mr. Gerrard]

Committee stage, Report and Third Reading. That is not how we should be going about legislation such as this, although I must say that I have a lot of support for the principles of the Bill.

Mr. Foster: My understanding of what the Leader of the House said is that there will be two hours in total for the Committee stage, Report and Third Reading. Given that we have a timetable motion before us tonight that says that an hour will be given to Third Reading, we will therefore have one hour in total for the Committee and Report stages.

Mr. Gerrard: If that is the case—I have not seen the motion—it illustrates exactly the point that I am making and that other hon. Members have made, which is that that is a totally inadequate amount of time in which to debate this. We will end up with something going through on the basis of a deal done by the two Front-Bench teams. It will be a deal whereby nobody else will have had any input, we will not be able to debate it properly and we will not be able to get to the detail. Irrespective of however much I agree with the principles behind the Bill, that is way to go about our business and it will not inspire the confidence of people outside this place that we have produced legislation that should be respected.

8.36 pm

David Cairns (Inverclyde) (Lab): So many hon. Members, including my hon. Friend the Member for Walthamstow (Mr. Gerrard), began their speeches by saying that it was likely to be their last speech in the Chamber. I fervently hope that this is not my last speech in the Chamber, as I sincerely hope to be returned on 6 May. If I am not and the good people of Inverclyde elect someone else, so be it and good luck to them, because it has been a blast.

The casual observer of today's debate and of the whole process of this debate could be forgiven for thinking that the Bill contained one big measure and lots of piddling little things that do not really matter. That has been reflected in the content of many of the speeches, and I hope to buck that trend by devoting the bulk of my comments to things other than illegal file sharing or downloading. I have become a bit frustrated at some of the extreme language being used by those on both sides of this debate. It seems that the Bill either protects vital creative industries people, living from hand to mouth in garrets, from rapacious internet service providers who will not get off their backsides to do anything about theft or is a draconian attack on the very fabric of the internet itself by fat-cat record company bosses hellbent on protecting their interests and so on.

My hon. Friend the Member for West Bromwich, East (Mr. Watson), who is not in his place, rejected the analogy or metaphor suggested by my hon. Friend the Member for Birmingham, Erdington (Mr. Simon) relating to the Sith and Darth Vader. He is back in his place now—I was just referring to him as he appeared—so I can tell him that he is right to take issue with a metaphor with which he does not agree. He may intervene if he wishes, but I wonder what he would say to a constituent of mine from whom I received a e-mail today saying that he was not going to vote for me or anyone else in my constituency in the general election because he thought that what the Government were doing was the same as what the ayatollahs in Iran and the geriatric dictatorship in China do to curtail internet freedom. That is clearly bonkers—I could be insulting my constituent here, but he has already said that he is not going to vote for me—and profoundly unhelpful. Those of us who may have doubts or reservations about the efficacy of the particular method that the Government are adopting to deal with the issue are not enticed to support those efforts by being told that if we support the Government, we are akin to the ayatollahs or the despots of Beijing. Such language is particularly unhelpful.

I happen to think that the Government are on the right track here, although I do not know whether the proposed measures will work. I tend toward the view that they will probably be less efficacious than draconian or dictatorial, but I am happy to be persuaded of all the necessary safeguards that have been suggested. I join the consensus in expressing regret at the lack of a Committee stage when we could have tested some of the proposals with probing amendments and so on. Having said all that, I do not wish to say more about illegal file sharing or downloading because I wish to discuss other parts of the Bill that have not been adequately addressed so far in this debate.

I want to focus my remarks on the parts of the Bill dealing with broadcasting policy and issues, especially the role of Channel 4 and the future of regional news on channel 3. I shall declare a couple of non-pecuniary interests: First, I am the chair of the all-party group on Scottish broadcasting and, secondly, I am most of the way through an Industry and Parliament Trust fellowship with the broadcasters. I have been hosted by STV, Channel 4 and now the BBC.

The Bill contains very important measures for Channel 4, but the one thing it does not contain is a proposal to privatise the channel, which I warmly welcome. I also genuinely warmly welcome the clear, unequivocal commitment from the shadow Secretary of State, in response to an intervention from me, that a future Conservative Government will rule out privatising Channel 4. That is an important and clear commitment, and it means that we can now afford Channel 4 the comfort and security of knowing that its unique structure—essentially, it is the first public-private partnership—will be guaranteed. That will afford Channel 4 a degree of comfort as it makes its plans for the future. However, I must say to the Opposition Front-Bench team that when the shadow Secretary of State gave that firm commitment not to privatise Channel 4, the looks on the faces of some Conservative Back-Back Members did not betray uniform happiness and delight, although personally I welcome the commitment.

I am also a political realist, however, and I know that after the election, whoever wins, the beady eyes of the Treasury will be scanning the entirety of the public sector, looking for savings, cuts, efficiencies—or whatever language we use—and I absolutely guarantee that, during that process, some bright spark in the Treasury will come up with a plan to privatise Channel 4. It is inevitable. In parenthesis, I add that I am pleased that Channel 4 has recruited its own set of beady eyes from the Treasury in the form of its new chairman, who hopefully will see off this encroaching threat. However, that proposal will be made, so I am pleased that we have a clear political steer from all the parties that it will not see the light of day in this place.

The Bill gives us a very good opportunity to restate the importance and significance of Channel 4 to the UK's broadcasting environment. It has made an outstanding contribution over nearly 30 years through its original, vibrant, creative, groundbreaking, sometimes irritating and often controversial content. However, it has also made an incredibly important contribution to the industry. It has fostered and helped to develop a thriving and vibrant independent television production sector in this country, but it does not always get the credit for that.

As I said, Channel 4's structure is unique. It is a publicly owned company and does not have shareholders, but has to make its living in the marketplace. That dynamic is very important and explains why, along with the BBC and purely commercial channels, there is room for Channel 4. I am happy, in a rare moment of cross-party consensus—not some underhand conspiracy—to say to the Conservative Front-Bench team that that success is testimony to the work of the previous Conservative Government who set it up as public-private partnership. Long may it continue.

We have heard that the Bill proposes to update Channel 4's remit, and as the hon. Member for Bath (Mr. Foster) pointed out—presumably because he read the same Channel 4 briefing as I did—in 1982, when it was founded, Channel 4 was a single linear television channel delivering all of its public service broadcasting content through one outlet. It was a single television station. That situation is unrecognisable today, with E4, More4, 4Music, Film4 and all the online content, none of which counts towards Channel 4's remit. We need to refresh the remit for the 21st century. More and more of Channel 4's PSB content will be delivered away from the core channel, and much of it will be online and will never actually be broadcast on the core channel. That is why it is important that we refresh the remit.

Brief mention has been made in passing to the importance of the remit embracing Film4. That is extremely important. Until I did my Industry and Parliament Trust fellowship placement with Channel 4, I imagined that Film4 was a huge entity, with lots of people working for it and a budget of tens of millions of pounds, but it is not. It consists of a handful of people—incredibly dedicated and inspired individuals—with a budget somewhere south of £10 million. They have made an astonishing contribution to the UK film industry, with the success of "Slumdog Millionaire" and "The Last King of Scotland", among others. The Film4 people have told me that they wanted film to be included in the remit because they have seen their budgets shrinking and they know that what they have done so far does not count in regard to the current remit. They feel that film's inclusion in the remit would protect them from further cuts, and I think that that is right.

One important thing that the Government have not included in Channel 4's new remit certainly merits an airing here tonight. There is no mention of the channel's obligations to the nations and regions of the United Kingdom. That is a source of extreme annoyance and controversy in the independent production sector throughout the UK. I know from my dealings with those in the independent production sector in Scotland, for example, that they do not feel that they get a fair crack of the whip from Channel 4.

Channel 4's response would probably be that it had never been told that part of its remit was to foster independent TV production sectors on a quota basis throughout the nations and regions of the UK. Channel 4's nations and regions supremo—the redoubtable Stuart Cosgrove, who is based in Glasgow—would probably also point out that the channel commissions 35 per cent. of its original production outside London, involving some £120 million in a good year.

Channel 4 is not the BBC, however. It does not employ lots of programme makers that it can move around the country, so it cannot meet those targets easily unless there is a vibrant, thriving creative industry sector coming forward with commissions in the nations and regions. We therefore have a bit of a chicken and egg situation. I am passionately committed to increasing TV production outside London, and I believe that Channel 4 has a role to play in that regard. I hoped that the Bill would have a Committee stage because we could have kicked around some of these ideas at that point. We are not going to have an opportunity to do that, however.

Having said that, it is incredibly important that the BBC has made a commitment to out-of-London broadcasting. It has made commitments in Cardiff, and through Media City in Salford. It has also made a commitment through the £188 million of investment in Pacific Quay in Glasgow. That is an incredibly important commitment that will do a great deal to foster an independent TV production sector in Scotland, and perhaps we will see more commissions from Channel 4 as a result.

I want to turn to the proposals for the independently funded news consortiums—the IFNC project—on channel 3. This is a thorny issue, and the Conservatives have indicated their staunch opposition to the policy again this afternoon. It is important to remember how we reached this point. We reached it because ITV stated categorically to the Government that it was not prepared to continue to make regional news at a loss. Ofcom has allowed ITV in England and Wales to reduce its regional news output and massively to extend the geographical scope of the regions. In my view—and in the view of many others—this has led to a dilution of the quality of regional news on ITV.

The Government believe passionately that there is a democratic imperative to ensure that people throughout the country are not solely reliant on the BBC for the provision of regional news, and they are right. When Michael Grade was chief executive and chair of ITV, he set his face against any public subsidy for ITV in this area. He said, "We want out of this. We'll give you a half-hour slot in our schedule, and you can put in it whatever you want." That is where the whole IFNC project had its genesis. However, we now hear from ITV's new chairman that ITV is not entirely convinced that that was the right thing to do. It does not want to give up a valuable half-hour slot in its schedules with no guarantees about the quality or the revenue involved, and it now wants to come back into the business.

If IFNCs are to be ditched as part of what is going on behind closed doors between those on the Front Benches as part of the wash-up, it is imperative that all the parties say how they intend to fund regional news on channel 3. There could be a market solution to this question. Perhaps if the contract rights renewal regime

[David Cairns]

were to be scrapped—as I think it should be; its regulation has long since served its purpose—that revenue could be used to help channel 3. Perhaps product placement could also help. The Government are going somewhat in that direction, although I think that they are being too timid. None the less, product placement on ITV would be an innovation, and perhaps caution would be wise. It may be that if we address the issue of advertising minutage, all these things together will bring increased revenue to ITV. That is well and good, but ITV must then fulfil its side of the bargain and say that it will use that money to invest in original content in the UK and to support and sustain regional news on ITV. If that is the deal, fine. I can live with it, but what we cannot live with is independently funded news consortiums being ditched with absolutely no understanding of how channel 3—ITV, and I include STV and UTV—are to be funded.

As I have said, the Bill deals with incredibly important broadcasting issues. Everyone has a view on the telly, and 99 per cent. of our constituents have at least one telly. The Bill will have an important effect on ITV news and Channel 4, which is why I hope that, whatever deal is done on illegal file sharing, the whole Bill does not get derailed. It is vital to refresh and update Channel 4's remit and it is vital to have some clarity on how ITV is to proceed in the crucial continuation of regional programming and news in the devolved nations as well.

8.51 pm

Mr. John Grogan (Selby) (Lab): It is a great pleasure to follow my hon. Friend the Member for Inverclyde (David Cairns), who made a powerful speech. I think he may have instituted a parliamentary first by referring to one of his constituents as "bonkers". Certainly none of my constituents in Selby are bonkers—well, perhaps just a few. My hon. Friend did the House a service in clarifying the position on Channel 4, which can now plan for the future with certainty, given the assurances from both Front-Bench teams this evening. I shall not repeat his litany of the great achievements of Channel 4. An important feature of the Bill is to widen its remit and recognise its multifarious activities. My hon. Friend missed out "Channel 4 News", "Dispatches" and also Channel 4 racing, which I would like to mention as another of its great contributions to the life of the nation.

My hon. Friend was perhaps the first in the debate to talk seriously at length about regional news. A year ago everyone was doing that; there is now a hiatus and it looks as if the clauses on regional news are going to be lost. He is quite right that if that is going to happen, there must be something to replace them.

I always thought that under the previous chairman of ITV, Michael Grade, the case that ITV regional news must necessarily collapse was overstated. There is a residual value in the licence—not least the third place on the EPG, or electronic programme guide. If deregulatory measures can be introduced, an economic model can stack up to fund the future of ITV regional news. That question is particularly relevant in Scotland, as Scottish Television has to be considered separately. If independently funded news consortiums are not going to appear, all parties have to think about how to keep regional news on the air. Part of the contribution should come from the residual value of the licence that ITV already has, and perhaps ITV can gain some assistance from other measures.

There have been some magnificent speeches in this debate. A number of right hon. and hon. Members have pointed out that it is completely unprecedented for a controversial Bill to appear in this House after the Prime Minister has gone to the palace to ask for a Dissolution, and to be dealt with in the wash-up the next day. My right hon. Friend the Secretary of State for Culture, Media and Sport did his best at the beginning of the debate to try to find some precedents, but all those he mentioned, including the Gambling Act 2005, had already had a Committee stage.

I looked at all the Bills that received a Second Reading after a Prime Minister had gone to the palace—I went back as far as 1987—so I challenge the Financial Secretary to consider what he regards as the most controversial non-Finance Bill to go through the House in this way. I managed to find the Diplomatic and Consular Premises Bill in 1987, the Architects Bill in 1997, the Lieutenancies Bill in 1997 and the International Organisations Bill in 2005. What they all shared in common was that there was no dispute between hon. Members in respect of them. It really is shameful that we are proceeding in this way. Some hon. Members have said that it is a price worth paying, or that it has to be done now and we are where we are. Well, it does not have to be done now. This House is alive and kicking for another 48 hours.

I always take great notice of what Chief Whips say, and the Liberal Democrat Chief Whip inspired the following headline in *The Guardian* newspaper last week:

"Liberal Democrats say Digital Economy bill should wait for next government."

The Liberal Democrat Chief Whip was reported to have

"hoped that the arguments being put forward—that the issues needed more debate than has been possible—might sway one of the other parties into delaying its passage."

He was reported to have said that he hoped

"that the government and the Conservatives will agree that it shouldn't proceed at this stage".

I had great hopes of the hon. Member for Bath (Mr. Foster), therefore, but that did not quite seem to be his message today, so there has been a slight shift in position—and not the first one. I have great admiration for the hon. Gentleman, however, and I know he has to accommodate different members of his own party, as we all do. The position that he has now come to is an interesting one, and I shall return to it.

Two great debates on this Bill, with commercial interests on both sides, have been referred to tonight. I will not rehearse all the arguments, but one of the debates is on digital radio. The Opposition Front-Bench team seems to be saying that it opposes the current model the Government are suggesting. The Opposition spokesman suggested that he was now in favour of DAB plus. It is interesting that hundreds of radio stations listened to by our constituents throughout the land, such as Minster FM, are being offered no digital future whatever in this Bill. What they are being offered, at best, is a place on a joint FM and digital electronic programme guide that is still being developed, and even if they get on that device, they will still not have all the advantages of

being a digital station in terms of extra advertising potential and so forth, and they will be very much second-class stations. Under the Bill as currently drafted, that is the future.

Helpful amendments were tabled by the Conservatives and the Liberal Democrats in the House of Lords suggesting that before any switchover there should be full consideration of all local and community stations. I will retable those amendments today; I hope that the hon. Member for Bath will support them, and that they might tempt the Conservative Front Bench, too, in the negotiations for the wash-up. There is another side to the debate, to do with the BBC and some other digital radio interests. This reinforces the point that we should still have a full Committee stage—and if we cannot have that, we should pass the Bill on to our successors.

Many Members have mentioned activities by those in another place, saying that they have sat up through the night and considered these measures in great detail, so we need not trouble our little democratic heads with them too much, because they have done the business for us—but an awful lot has been happening down there in the other place. The hon. Member for Bath has been accused of writing new clause 18. He is not its author, however. I was at a reception where five separate lobbyists all claimed to be its author. Indeed, a gentleman who goes under the name of Richard Mollet is one of the lobbyists on one side of the debate, and a memo of his was exposed to the world. He wrote:

"Some of the amendments I distributed yesterday were ruled out of order by the Public Bill Office, on the grounds that they were introducing too dramatic a change."

Apparently, amendments were being handed out by both sides.

Mr. Don Foster: We are greatly enjoying the hon. Gentleman's speech, but I should gently point out to him that Richard Mollet is none other than the Labour party candidate for South-West Surrey.

Mr. Grogan: Exactly, and if I go any further I will be accused of being a conspiracy theorist, because Mr. Mollet will, no doubt, have many happy hours talking to the hon. Member for South-West Surrey (Mr. Hunt). Mr. Mollet also wrote:

"As for the House of Commons—which will be sent the Bill next week—there is a strange sense of detachment. MPs with whom we spoke back in Autumn are already resigned to the fact that they will have minimum input into the provisions from this point on, given the lack of detailed scrutiny."

We should not take our orders from such a lobbyist, even if he is a Labour parliamentary candidate.

The influence of lobbyists—I acknowledge that they have come from both sides, and they should be doing their job and putting forward their ideas to Front Benchers and Back Benchers in the Lords—makes it even more important, given all that has happened in the past few weeks and in the past year, that this House should say, "No, we're not going to pass this Bill by means of a thinly attended debate tonight, and the wash-up tomorrow."

Yes, the Bill deals with important issues to do with the future of our digital economy. We have heard some impassioned speeches tonight from many hon. Members. Some Members missed the extremely powerful speech made by the right hon. Member for Wokingham (Mr. Redwood), who acknowledged the rights of rights holders and the need for copyright. He also said that this was a question of balance, and pointed out the benefits of sharing ideas and the creative impact that it can have. There are some bands whose whole profile has been generated by sharing, and they are now making an awful lot of money from live gigs and so on. Such ideas can challenge some people's business models, but because they are complicated it is even more important that the Bill should not be rushed through in a massive hurry.

Pete Wishart: We have heard about the views of all the lobbyists who have been making an impact, but what is the hon. Gentleman's view? Should file sharing be addressed? If these measures are not sufficient, what would he do?

Mr. Grogan: We have to address the issue of illegal file sharing. My hon. Friend the Member for Birmingham, Erdington (Mr. Simon) mentioned Lord Carter, and I would go back to Lord Carter's original ideas, which involved strong letters, education, the possibility of further action and the encouragement of new economic models. Those ideas have now been chilled. People like Virgin Media were doing deals with creative companies, but now some of the old-style companies are saying, "Perhaps we don't need to do these deals with the ISPs, because we'll have more administrative measures and the cutting-off will happen much earlier than Lord Carter envisaged." We all know what happened: I do not want to be accused of being a conspiracy theorist, but we all know that Lord Mandelson had one of his meetings in Corfu with some people were very prominent in the Hollywood industry and—

Mr. Vaizey: Name them.

Mr. Grogan: There is a whole list. Lord Mandelson is a very important figure and he shifted the Government's policy on this issue. It is not a question of doing nothing. There was the Lord Carter White Paper, which this House could have united behind. That has been massively changed, largely through the influence of Lord Mandelson and those who ably advise him. If we proceed in this way, we in this House will be abrogating our responsibilities. As we were reminded earlier, when we were elected to this House we were elected to scrutinise, to debate and to challenge the assumptions of those outside who lobby us. We cannot possibly do that properly with this Bill.

At least we have heard a concrete Liberal Democrat position: the Liberal Democrats are saying that they will not vote for Third Reading unless clause 18, which is so complicated and mired in controversy, and involves the blocking of websites and so on, is dropped—

Mr. Vaizey: They put it in.

Mr. Grogan: I know that they put it in, but there is joy in heaven when a sinner repenteth. At the very least, I hope that the House will back the minimalist position—whatever the electoral reasons that inspired it may be.

I can tell those on the Front Bench that when that moment is reached—at 10 or 11 o'clock tomorrow night—there might not be that many people around. I hope that all those who are listening to the debate on BBC Parliament or following it on the internet will urge their MPs who are around to remember that if the Bill gets a Second Reading today, there is still Third Reading, and the question of clause 18. This fight is not over yet.

9.3 pm

Eric Joyce (Falkirk) (Lab): I am very pleased to be able to follow a number of high-quality speeches. It seems to me that everyone said more or less the same thing, which is that this is much-needed legislation and that it is flawed. Some people think it should go through anyway and that if it is flawed, we will fix it later, whereas other people think that it should not. I belong to the latter group. The right hon. Member for Wokingham (Mr. Redwood) encapsulated much of what I think. I could almost splice what he said with what my hon. Friends the Members for Selby (Mr. Grogan) and for West Bromwich, East (Mr. Watson) said and sit down. However, I will not, as everybody will be pleased to hear.

I want to reflect on a couple of points made by those on the Front Benches. My right hon. Friend the Secretary of State started out by saying, "We have not had much time. What a pity; I wish we could have had more." That strikes me as being a bit like the referee at a Celtic-Rangers football match watching Celtic score a goal in the first minute and then promptly blowing the whistle for full time and saying, "Sorry guys, I wish we had a bit longer, but there it is. It's getting a bit dark. Maybe we should have started the match a little earlier." Much as every Celtic supporter at the moment would probably like that to be the case, I do not think that would work.

The Conservative Front-Bench spokesman made a perfectly logical and correct point about the problem that photographers have with clause 43. That problem is widely known about; indeed, I think that the Government have probably already accepted it. They are then going to railroad the whole thing through.

The Liberal Democrats' Front-Bench position is a little more opaque. I am not exactly sure what they are saying because their excellent hon. Member for Bath (Mr. Foster) raised what seemed to be countervailing points of his own. They seem to have left things at saying that it is still possible for clause 43 to be amended in some way, although nobody else agrees with that now that it has gone, but the Lib Dems seem to want to keep it alive. I say the Lib Dems as a plural, but only one person from the Lib Dems has spoken tonight—their Front-Bench spokesman. The massed ranks of the Lib Dems on Twitter have not bothered to come along to support him. Instead, they are saying the opposite all over the internet.

The Liberal Democrats also seem to have left open the possibility of people being disconnected from the internet without their having access to any kind of court proceedings. I know that I have been the beneficiary of some crowdsourcing about this on the internet. The HADOPI case in France, of 10 June 2009, has been raised by the Law Society of Scotland in this regard. That case led the French to amend their legislation to ensure that if people were going to be disconnected, they would have a chance to test that decision in court.

Mr. Simon: But is it not the case that after a year, and lots of letters, people will get a first right of appeal to the Ofcom appeal body and then a second right of appeal to a first-tier tribunal, which is a judicial body? That is a court. Why do people keep saying that there will be no court appeal? There are two appeals, the second of which is judicial.

Eric Joyce: My hon. Friend is correct, but I do not regard a tribunal as the same thing at all.

Things are being put through in the Lords, and we have been told many times, both before tonight and, indeed, tonight, that there has been bags of scrutiny by the unelected Lords next door. Hon. Members have said that the experts have got one or two things tied up, and have talked about not having a complete grasp of some issues. I understand that there are technicalities about how people are disconnected, constrained, blocked and so on, but we have put great trust in experts and in the House of Lords. Of course, it would save a great deal of time with our future proceedings if we simply said, "They've scrutinised it next door, so we can just knock it down to an hour in this place."

Mr. Watson: A number of hon. Members on both sides of the House have likened copyright infringement to shoplifting and stealing. If that is the case, why should not such people have their day in court like any other thief?

Eric Joyce: I profoundly agree with my hon. Friend. That is precisely what most people out there would say; indeed, people are saying that. We have rather blithely ignored the fact that thousands of people—not just an elite group of people on the internet with special interests—are making these very points on various things like the #hashtags on Twitter #DEBill and #DEB and we are casually pushing them aside and saying that we will put through this flawed legislation regardless of the views of those digital natives who know what they are talking about.

Mr. Simon: I apologise for arguing with my hon. Friend the Member for West Bromwich, East (Mr. Watson) through my hon. Friend, but going back to his assertion about people not getting their day in court, I repeat that the second appeal is to a first-tier tribunal, which is a judicial body. Why do people keep saying, "We want our day in court"? They will get their day in court if they insist on breaking the law.

Mr. Watson: Shoplifters do not go to a tribunal.

Eric Joyce: Indeed—they go to court. They get their day in court. Would we pass legislation saying, "Let's not bother with shoplifters going to court. We'll just have a tribunal that is heard by one quasi-judge, or judge, and he or she will make a decision"? Of course we would not accept that. We are talking about law-breaking, and such cases deserve to be tested in court. That is a pretty basic proposition.

My objection is no different from the one made by many other hon. Members. The hon. Member for Perth and North Perthshire (Pete Wishart) made some very good points about people's need to earn a living, and I do not dispute for a second that powerful vested interests have argued against the Bill. However, he would not dispute that powerful interests have argued for it.

I have seen members of the Musicians' Union arguing against his position, on Twitter and elsewhere. There are not many—I think that the hon. Gentleman probably represents a majority of Musicians' Union members—but it is a fact that there are disparate views out there that we are simply not paying heed to. When we say that it is a pity that we have not had long enough to debate this Bill, people outside the Chamber will wonder why that

is. Usually, a Bill like this would get 40 or 50 hours in Committee and another three or four on Third Reading. We are cutting all that back to one hour of scrutiny tomorrow, but that will not really be serious scrutiny at all.

I shall end with a political point about the Liberal Democrats. @Ironjolt joked on Twitter recently that the party was desperate to be in a three-horse race. However, given that there have been no speakers at all from the Liberal Democrat Back Benches, it is clear that it is not even able to supply the back end for a panto horse. That is a great pity for its members, but does not greatly surprise me.

I shall conclude my brief remarks by saying that the Conservatives are willing to let this flawed Bill go through so that they can correct it after the general election. That is not what I want. I want this flawed Bill to be put off until after the general election, so that the inevitable Labour Government will be able to amend it properly.

9.11 pm

Adam Afriyie (Windsor) (Con): It has been a very interesting debate, with a single theme unifying the contributions from Back and Front Benches across the House—that the Government appear to be rushing through an important piece of legislation without due scrutiny in the House of Commons. After 13 years of digital dithering, this Bill is all they have to show on the digital front. It is a missed opportunity of massive proportions. Not only is it discourteous to rush such a significant measure through Parliament in the dying days of a failed Government, but it is also incompetent.

Mr. Simon: I am sorry to interrupt the hon. Gentleman so early in his remarks, but we all know that the Government can get the Bill through only if the official Opposition support it wholeheartedly, especially in the House of Lords. Surely that is a bit like trying to have his cake and eat it at the same time.

Adam Afriyie: That was a great attempt at distortion and distraction, but I assure the hon. Gentleman that we will not allow measures that we disagree with to go through. Therefore, I can say categorically that we will not allow clauses 1, 21 and 43 to go through. We have a very clear position on this Bill, whereas the Government seem to be all over the place and unable to focus on what they hope to achieve.

Mr. Grogan: I am grateful to the hon. Gentleman for giving way, but a further point of clarity would be useful. I noticed him nodding when various hon. Members spoke about the lack of time for debate: will the Opposition Front Bench vote for the programme motion this evening?

Adam Afriyie: We have made it very clear where the red lines are. We are very keen that this Bill does get to Committee, if only for a short time. It is already reprehensible that the Government, who have been in office for 13 years and who began work on this Bill five years ago, should bring it forward only at this last minute. We want to examine what is available for examination in whatever time we have, but we will not cross our red lines.

Mr. Don Foster: I apologise for interrupting the hon. Gentleman, but I want to be helpful. He said that the Conservatives were unhappy with clause 23, which is entitled "Monitoring and enforcing C4C's media content duties", but I suspect that he was referring to clause 29.

Adam Afriyie: I thank the hon. Gentleman for recognising that I misspoke. I meant to refer to clause 29, as opposed to clause 23. We will not allow clauses 1, 29 and 43—

Peter Luff: You said clause 21.

Adam Afriyie: I meant to say clauses 1, 29 and 43: those are the ones that we will not allow to go through.

Fiona Mactaggart: Will the hon. Gentleman give way?

Adam Afriyie: I should like to make a little more headway and then I will give way several times, as we shall not have much opportunity beyond today to examine the legislation.

At the height of the dotcom boom, new Labour talked about modernising Government IT. They talked about the digital economy, but they were not digital natives, so they created an e-unit, an e-envoy and even an e-Minister. In fact, they slapped an "e" in front of anything that moved. While the pace of technological change was breathtaking, the response from the Government certainly was not. They have had ample opportunity to face up to the realities of the digital economy and the digital age, but they have failed to do so. They promised competition and innovation in the media industry, but they have chosen to subsidise and entrench old business models. They promised a modern communications infrastructure but they have delivered some of the slowest broadband speeds in the world. We are ranked 40th in the world. Labour has left Britain in the broadband slow lane, behind countries such as Bulgaria, Romania and Moldova. That was a fantastic achievement—and that was irony.

The Government promised a copyright system fit for the digital age. In the meantime, the music and film industries have lost millions, if not hundreds of millions, through illegal downloads. What is Labour's answer to the new digital economy? Old-style taxes, old-style subsidies and old-style regulation. The Bill is nothing like the measure we wished to see. It is nothing like a Bill that will kick-start the digital economy. It is a Betamax Bill from a bewildered Government who seem startled and dazzled by the lights of modernity and the open data challenges.

There have been some fantastic contributions to the debate. There were good speeches from both sides, and it is frustrating that there has not been time to examine the issues more carefully. My right hon. Friend the Member for Haltemprice and Howden (Mr. Davis) said clearly that he was completely opposed to the Bill unless there was time to scrutinise and review particular aspects relating to civil liberties. I salute his integrity on those issues.

My hon. Friend the Member for Mid-Worcestershire (Peter Luff), who is Chairman of the Business, Innovation and Skills Committee, pointed out that a large part of the Bill relates to the business aspects of the digital

[Adam Afriyie]

economy and that there has not been time to examine them in detail. I shall come to some of his other remarks in a moment.

The right hon. Member for Cardiff and Penrith—

Alun Michael: May I correct the hon. Gentleman's geography? Penrith is not within the boundaries of my constituency, which is Cardiff, South and Penarth.

Adam Afriyie: I thank the right hon. Gentleman for that correction. He gave a considered and balanced view. He was pleased with the reserve powers for Nominet, and concerned about internet safety issues. He was remarkably open to market mechanisms, or other ways of enabling internet access that did not require cumbersome legislation. I very much welcomed those comments and the fact that he wanted to avoid intervention on a large scale.

The hon. Member for Bath (Mr. Foster), the Lib Dem Front-Bench spokesman, observed that there were some good parts to the Bill, but that the failure to have proper scrutiny was making life difficult. I thoroughly enjoyed the acrobatics he described when reconciling presenting an amendment in the Lords and campaigning against it the following morning. I am surprised he did not bump his head on the bath.

The hon. Member for Sittingbourne and Sheppey (Derek Wyatt) paid tribute to Lord Carter—I think he referred to him as Lord Carter of Paris—and was particularly concerned about whether the Bill recognised the importance of next generation high-speed internet access, akin to ambitions in China and India. The hon. Gentleman said clearly that he felt the Bill lacked vision and that it was a missed opportunity on Channel 4. Like several other Members, the hon. Gentleman observed that it was his last speech in the House of Commons. We wish them well in their life beyond this place. What was most significant about his contribution was that he considered the practical measures that would have made the Bill better legislation.

My hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale), who is Chair of the Culture, Media and Sport Committee, said that the lack of scrutiny might well lead to a lack of legitimacy—that is an important point to hold on to—and that proving identity would be difficult in relation to university students in halls of residence and internet cafés.

The hon. Member for Great Grimsby (Mr. Mitchell) used an interesting term about the Bill. He said that the process and the ragbag of measures were akin to dross and that he had serious concerns about the digital switchover.

My hon. Friend the Member for Mid-Worcestershire, who is the Chair of the Business, Innovation and Skills Committee, said that the legislation would have a great impact on the economy, society and culture of Britain and that this was the least constitutionally satisfactory process in his entire time in Parliament. That says a lot, as he has been a Member for a long time, and that sentiment was echoed by many other hon. Members. He recognised the balance between freedom of expression and creativity and the absence of a definition of what 2 megabits per second actually means. That is an important observation, because if such speeds are only sporadically available, even though the headline rate is 2 megabits per second, many of the activities that we wish to undertake on broadband simply will not come about.

Peter Luff: I am most grateful to my hon. Friend for his kind remarks. I should warn him not to praise me too much; the Twittersphere hates me tonight, so he should be careful about doing so.

Adam Afriyie: I thank my hon. Friend for the warning, but his observations were balanced and fair, and he recognised both sides of the issues. In many ways, Twitter and many of the modern forms of communication are at the heart of what we are talking about today, and perhaps parliamentarians should be a little more relaxed about the public expression of differences, because that adds to our understanding of these issues.

Pete Wishart: I have been even more disgraced on Twitter this evening. I do not mind what was said about my contributions, but having a go at my shirt was far too much.

Adam Afriyie: The shirts and blouses that Members of Parliament may wear are important international issues, and I am glad that those who are wired in are discussing our sense of dress, as well as the points that we make.

My hon. Friend the Member for Mid-Worcestershire also mentioned in particular clause 43 about orphan works and photo issues. I am glad that he did so; that is one of our red lines. We will not support any regulation that includes clause 43.

Fiona Mactaggart: I am interested in the hon. Gentleman's reference to red lines. It seems that he is able, without there having been a vote, to declare some red lines—an opportunity that is not available to Back Benchers during the wash-up process. Does he feel that it is satisfactory that he and his Front-Bench colleagues can keep red lines, when issues that hon. Members on both sides of the House have expressed concern about will not be dealt with in that way?

Adam Afriyie: I am quite surprised that the hon. Lady asks an Opposition Front Bencher that question when her Government have hastily rushed through the Bill, which has not had sufficient time for scrutiny. We will work and make decisions in the best interests of the country and the creative industries and for the future of digital Britain, even if we are delivered a dog's dinner by the Government.

I thought that the hon. Member for Birmingham, Erdington (Mr. Simon), a former Culture, Media and Sport Minister, made a carefully considered contribution—I should not sound surprised, should I? He pointed out that it needs to be acknowledged that illegal downloading is property theft, no matter how one looks at it. He also said that new business models for content delivery and economic value added are already available and that they are technically possible, morally right and economically necessary. If only his concerns had been echoed by his Front-Bench colleagues, the Government might have taken the issues more seriously and brought the Bill before the House two or three weeks ago, so that we could have had time to contemplate them more closely. However, the hon. Gentleman's contribution was well informed, lucid and, in some aspects, other-worldly.

Kate Hoey: I am a little concerned because the crux of much of the debate has been the way in which the Bill is being pushed through without genuine scrutiny. I would not want to support such a ludicrous timetabling motion, but I do not think that we would be able to carry a vote. Will the hon. Gentleman explain how it can be sensible to have a short Committee stage tomorrow? It will not be possible to do anything, so let us turn this out tonight.

Adam Afriyie: I share those concerns. We are keen that we use whatever time is available at this fag end of a Parliament to scrutinise the Bill, if only for an hour. Clearly, any Member of the House may object to the programme motion, and we shall see what happens.

The hon. Member for Penrith—

Pete Wishart: Perth and North Perthshire.

Adam Afriyie: I apologise to the hon. Gentleman—*[Interruption.]* Yes, I am obsessed with Penrith. I made my notes in the absence of an opportunity to use technology in the Chamber and it is difficult to read my poor handwriting.

The hon. Member for Perth and North Perthshire (Pete Wishart) made a passionate speech in support of the sanctions in the Bill against those who steal not only his intellectual property and collective works, but those of many people in a similar position. His plea will be recognised throughout the country and a balanced debate is required.

It is delightful to learn that the hon. Member for West Bromwich, East (Mr. Watson) is the estranged son of the dark lord, whichever dark lord that might be. I welcomed many of his balanced comments. His speech was impassioned yet thoughtful. He balanced freedom of speech with the privacy of the individual, and when he talked about intellectual property versus fair use, he tipped the balance towards what he saw as the future for the United Kingdom, rather than our approach of the past. He referred quite often to squalid deals, but I reassure him that we are here at the last moment before Parliament shuts down—at five minutes to midnight—because his Government failed to bring the Bill forward earlier.

Mr. Watson: But for perhaps the first time in the hon. Gentleman's parliamentary career, he can stop this if he chooses. Destiny is in your hands; seize the moment!

Adam Afriyie: My blood is pumping, but it was pumping before the hon. Gentleman's words of encouragement. I assure him again that Conservative Members will do our utmost to ensure that those aspects of the Bill that have not been correctly considered do not go through. We will not move from that position because this is not about party politics or electioneering; it is about ensuring that this country has the legislation that it requires. My hon. Friend the shadow Secretary of State gave the further commitment that we completely reserve the right to revisit any measures that might go through the House this side of the election. From my and my party's perspective, it is quite clear that we need an update of intellectual property law and copyright law, so we are committed to carrying that out. We will do our utmost to allow through the bits of legislation regarding which we think that there is time to make corrections, if they are needed. The hon. Member for West Bromwich, East said that there are unpalatable truths to deal with. I can assure him that an incoming Conservative Government would take the bull by the horns.

My right hon. Friend the Member for Wokingham (Mr. Redwood) gave an experienced and considered exposition of the dangers of the hasty treatment of legislation, and of the lack of scrutiny. He pointed out that even on Second Reading, there were about 11 themes in the Bill that needed to be discussed. Contributions from around the Chamber have touched on many of those themes, but we have not dealt with them in as much detail as we should have done.

The hon. Member for Glasgow, North-West (John Robertson) actually agrees with the Conservative policy that we should consider opening up and enabling access to the ducts. We go further and say that that should apply also to the sewers and any other medium through which cable can be run and digital transmission can take place. We do not see that the only tool available to a Government is draconian legislation forcing measures through by the centre. We recognise that we have had a thriving and booming mobile phone sector and cable sector in the absence of the type of measures that the Government seem to wish to take.

John Robertson: Far be it from me to correct the hon. Gentleman, but I said that although I do not have a problem with opening up the ducts or sewers, or with pylons, somebody must be in control to make sure that things are run properly. Cowboys cannot be allowed to come in, as happened in the past, and ride roughshod over the infrastructure.

Adam Afriyie: I thank the hon. Gentleman for the clarification.

Mr. Redwood: The main issue that I was raising in my speech, as my hon. Friend may recollect, related to clauses 10 to 18, which are a blank cheque saying that orders will be laid in due course. We have no idea whether they would work or how they would be constructed. Is my hon. Friend sure that it is possible to construct sensible orders out of the chaotic haste of that part of the Bill?

Adam Afriyie: It would be an enormous challenge, which is why we have left open the opportunity to revisit the Bill, if it goes through and if there is a Conservative Government. It is not just the Bill that requires further work. There is a lot more work to be done to ensure that Britain is at the forefront of the digital revolution, rather than a laggard, as we are at present.

The hon. Member for Slough (Fiona Mactaggart) made a clear and robust speech, commenting that it was utterly feeble that in their dying days, a Government should try to introduce such legislation. She also rebuked those on the Opposition Front Bench for perhaps being in cahoots. I reiterate that we are clear that in our approach to the Bill, we will defend the interests of the country and we will not budge on the clauses that I mentioned.

Fiona Mactaggart: The hon. Gentleman misquoted me. I did not say that the Government were being feeble. I said that Back-Bench Members and Opposition Front-Bench Members are being feeble by failing to scrutinise what the Government offer us.

Adam Afriyie: That is a curious comment, given that it is the hon. Lady's Government who have introduced the Bill in massive haste. I thought that she was being altruistic and impartial in her comments, but striking out any contribution from her own Government to the chaos that we see this evening seems a little one-sided.

The hon. Member for Walthamstow (Mr. Gerrard) pointed out that there were some good clauses in the Bill. He was critical of the process that the Government have adopted, and observed that the fact that the Lords had taken such a long time to consider the Bill might be a bad sign. He suggested that it might be a more complicated and difficult piece of legislation than it seemed, and that therefore the House needed to concentrate on it. He pointed out that clause 43 on orphan works was not adequately thought through and he did not support it.

The hon. Member for Inverclyde (David Cairns) made a constructive contribution. He praised the public-private partnership—admittedly introduced by the previous Conservative Government—and the way in which it worked, and he raised many issues about the provision of local and regional news.

The hon. Member for Selby (Mr. Grogan), apart from having a few constituents who may be bonkers, observed that there was a challenge because of the shameful abuse of the process, and he was challenged to find a precedent of such importance in any wash-up prior to the Dissolution of Parliament. The hon. Member for Falkirk (Eric Joyce) said, "Don't let this through," and there was some debate about the redress to legal process for those who are accused.

On the economy, there are some useful aspects of the Bill. There is some merit in establishing reserve powers on the domain name system, and the proposals to tackle online copyright infringement are long overdue. Anti-piracy measures should recognise new technologies, and thankfully the Government have backed down on their draconian plans under the old clause 17. However, it is an insult to democracy and to this House not to make sufficient time to scrutinise the proposals in more detail.

We strongly oppose Labour's old-style subsidies that embed old-style business models, and we oppose unnecessary regulatory burdens. The Government have failed to explain why Ofcom requires additional duties, hence the opposition to clause 1. Ofcom already considers the state of infrastructure, and there is now a serious risk that the new duties could distort its objective of sustaining competition. That measure is nothing more than a shabby political dividing line of the Prime Minister's making.

I have also said many times before that we need a workable system for dealing with orphan works. If the Government had provided the time, rather than a cobbled-together mismatch, Britain could have led the world with a state-of-the-art copyright system. The Gowers review was published in December 2006, so they have had four years to find a solution, but this incompetent Government now want to force through substantial changes with insufficient scrutiny.

Many hon. Members have highlighted the serious questions about clause 43, and with the Government's consultation on copyright exceptions in its second phase it is clear that the copyright debate is not over yet. We are committed to updating our copyright system for the digital age. In the interests of the country and the economy, a Conservative Government would retain the right and maintain the intention to revisit orphan works, in addition to extended collective licensing, as part of a broader copyright update.

Old-style taxes, old-style subsidies, old-style regulation: that is Labour's plan for the digital economy. After three Parliaments of digital dithering, they have left us at the last minute with some botched legislation. This is a washed-up Bill from a washed-up Government. There is a clear choice at the election: five more years of old-style, old-fashioned Labour dithering, or a new Government with the energy, ideas and leadership to deliver for Britain's digital future.

9.38 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr. Stephen Timms): We have had a good debate about the Bill. My hon. Friend the Member for Birmingham, Erdington (Mr. Simon) made an excellent speech, and I join him in paying tribute to Stephen Carter, who through his work on the visionary "Digital Britain" White Paper, which was published in June last year, started us on this road and did a great service to the House and the country through his work.

We have had a good debate today, and there has been a long debate in the other place about the measures before us in the Bill. It is now for the House to determine whether the Bill be given a Second Reading. Some have argued that it should not, given the extent of concern about the Bill's measures to tackle copyright infringements. I shall be completely straightforward about my views; I shall not, like the Opposition Front Benchers, try to face both ways. My view is that it should be given a Second Reading, because it is right that we support the creative industries and make progress on the other measures that the Bill addresses.

I should point out that although it is opposed by some from whom we have heard, the view that we need to press on and make progress is strongly supported by the Creative Coalition Campaign, which includes trade unions that have rightly said that we must not let this opportunity pass. If we did not allow the Bill its Second Reading, we would be taking no action on copyright infringement at all—for several months at least, and possibly for much longer.

Some, of course, would welcome that. Some want the current ability to download unlawfully not to be fettered. But according to the Bill's impact assessment, the annual cost of online copyright infringement for UK industry is estimated at £400 million for music, film and TV. Meanwhile, the International Chamber of Commerce estimates the total annual cost at more than £1 billion a year. Given the importance of the creative industries, with their high growth rates, as we come out of the downturn we cannot afford a long delay in addressing the problem.

Legislation alone, of course, is not the answer; I agree with the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), the Culture, Media and Sport Committee Chairman, on that. Lots of other things will need to be done as well. We certainly need the creative industries to help educate consumers about the damage caused by piracy—and the straightforward fact that it is

wrong—and to try out new approaches and develop online business models that offer consumers what they want at a price that they are willing to pay.

Those business models are starting to be developed. We are certainly seeing some encouraging moves on education and I hope that we will hear more about that in the next few weeks. It is fair, however, to make some criticism of the creative industries for being rather slow in coming forward with online business models that can work. In the end, however, people cannot develop a business model if they are having to compete with others who offer their products for free. There need to be back-stop safeguards to assure legitimate businesses that they will not simply be competing with those who have taken unlawfully what they have paid to provide.

I turn to unlawful file sharing using peer-to-peer networks. I expect that the initial measures, which require internet service providers to write to customers who download copyright material without paying for it, to lead to a substantial reduction in the scale of the problem, and I think those measures are pretty widely supported. I hope that that will be enough to achieve a 70 per cent. reduction, as is our aim. If it is, the technical measures set out in the Bill will not be needed. However, we cannot guarantee that the provision will lead to that scale of reduction, so we need to be able to back up those initial measures with technical measures, including the possibility of temporary account suspension.

Accounts would not be suspended lightly. The Bill provides robust safeguards. Multiple letters will have been sent before technical measures are considered. If a technical measure is imposed, the subscriber affected can appeal and the measure will not be imposed until the appeal has been determined.

I understand the concern, expressed by my right hon. Friend the Member for Cardiff, South and Penarth (Alun Michael), for example, about the danger of technical measures being taken against broadband in public libraries or universities, or against public wi-fi services. I do not think that it would be right to provide a blanket exemption for those services. However, the Bill requires Ofcom to draw up a code to govern how technical measures would be applied. The code will need to recognise and address the particular position of public services and institutions of that kind. We would not regard any assessment by Ofcom, under clause 10, as satisfactory unless it took account of the impact on public libraries, universities and public wi-fi services.

Alun Michael: Will my right hon. Friend also undertake to require Ofcom to engage those bodies in designing something that suits how they work as well as meeting the clearly important requirements in the Bill?

Mr. Timms: Yes, it will be important for Ofcom to have exactly that kind of discussion, to ensure that it draws up the code that is needed.

Peter Luff: Will small businesses be included in that list?

Mr. Timms: I am not sure which small businesses the hon. Gentleman is referring to—public wi-fi services?

Peter Luff *indicated assent.*

Mr. Timms: There will certainly need to be discussion with them, yes.

Unlawful file sharing using peer-to-peer networks is not the only form of online copyright infringement. It is the biggest today, but the hon. Member for Bath (Mr. Foster) made the point that perhaps a third of infringements are accounted for by other approaches. There will be new approaches in the future and legislation will be needed to address them.

I regret that an amendment in the other place supported by the Conservatives and Liberal Democrats removed the flexibility to tackle new forms of copyright infringement in future and instead introduced clause 18, which, in its current form, is highly problematic in a number of ways. It is a major change and there has been absolutely no consultation about it so far, and it would be unenforceable given the requirements of the technical standards directive. We have therefore drawn up an amended version to address those problems. It is available on the Bill website, although not yet in the Vote Office, for reasons that my hon. Friend the Member for Slough (Fiona Mactaggart) explained.

The amended clause will provide a power to make regulations and require that they be properly consulted on, and it will not fall foul of the technical standards directive. We can then consider further the case for such regulations, assess their benefits and consider the proportionality of suggested remedies to the problem. We can consider what the regulations need to do, when they are appropriate and what safeguards are needed. Regulations brought forward under the amended clause 18 will have to go through the super-affirmative procedure, allowing the maximum possible parliamentary scrutiny, including the ability for a Committee of either House to recommend changes to the terms of the regulations. I hope the House accepts that that will allow a high degree of parliamentary scrutiny beyond the agreement of the Bill, so that we can consider precisely how the amended clause 18 is to be given effect.

Mr. Redwood: Will the Minister explain what would happen if someone had paid for an article or some content from a paid-for site? What would they be allowed to do? Could they invite people in their home to read it for free online at their convenience? Could they print it out and circulate the print-out to friends or family, and could they make multiple copies? Is it just sending it around electronically that is illegal? I would be grateful to know what the crime is.

Mr. Timms: I think that the right hon. Gentleman is barking up the wrong tree. The owner of the copyright—the person who is responsible for the content, such as the right hon. Gentleman himself in the case of his blog, which he told us about—can do what he likes with that content. The amended clause 18, which is to provide a power to make regulations rather than change the law directly, will allow a copyright holder to apply for a court order to block access to a website.

Mr. Redwood: The Minister cannot say that I do not understand the matter. I am asking him how far someone could go in using something that they had paid for before falling foul of his proposal. It is a very reasonable question.

Mr. Timms: But the author of the content will not fall foul of the proposal. I do not imagine that the right hon. Gentleman will apply for a court order to block access to a website that holds his content. A music maker such as the hon. Member for Perth and North Perthshire (Pete Wishart) might wish to do that, but the right hon. Gentleman clearly would not.

Mr. Redwood *rose—*

Mr. Timms: I need to make some progress.

Nothing illuminates the vacuity of the Conservative party's policy platform better than the vacuity of its policy on broadband. It is very depressing that the Conservatives have added to their yawning credibility deficit by supporting the end but refusing to support the means to roll out next- generation broadband in rural areas. They simply do not have a credible policy. For a long time they maintained that minor regulatory tweaks would be sufficient to unleash the scale of investment necessary. I am glad that they have now admitted that public funding will be needed for next-generation broadband in rural areas, as it most certainly will, but they have identified a funding source that will not be available for another three years. Taking their approach would be a disastrous betrayal of rural businesses, of young people and schools in rural areas, and of people living in rural areas who want to work from home. Virgin Media will offer 100 megabits per second services across its entire network serving urban areas by the end of this year. Why do the Conservatives think that rural areas should wait for another three years before they get any help?

Mr. Hunt: We do not, which is why we have said that we think that the digital switchover surplus should be used to help fund rural broadband.

Mr. Timms: That money will be available, on the hon. Gentleman's proposition, only in the new licence fee settlement for the BBC and so will become available for 2013. The money for the period between now and the end of the current licence fee period has already been spoken for.

The hon. Gentleman argued at the start of this debate that the market can ensure a diverse provision of regional independent news, but the truth is that despite the popularity of regional ITV news, it is under severe threat, as my hon. Friend the Member for Inverclyde (David Cairns) and others rightly pointed out. The Bill offers a multi-media model with potentially lower production and distribution costs which can meet audiences' needs. We propose to fund the pilots through a small element of the digital switchover underspend and then decide on longer-term funding later, in the light of the pilots.

Mr. Foster: The Minister knows that I entirely agree with him on that point, but the hon. Member for Selby (Mr. Grogan) warned us earlier to beware what Chief Whips say, and I am receiving messages that the Government Chief Whip has acknowledged that clause 29 will be dropped by the Government. Can the Minister confirm that that is categorically not the case and that they will press it as far as they can?

Mr. Timms: We certainly will press the clause as far as we can. We have heard the Conservatives describe their red lines and, as the hon. Gentleman knows, those on the Conservative Benches are in a stronger position at this stage in the process than would otherwise be the case.

Mr. Vaizey: How is the Minister proposing to use the digital switchover surplus for IFNCs, given that he has just said that it is not available until 2013?

Mr. Timms: The scale of funding that the Conservative party is talking about is certainly not available until the new licence fee round is agreed. Indeed, I would argue that if the Conservatives think that the BBC can be run for a lower price, they should reduce the licence fee, not use it to fund other things. It would be far better to have a transparent and clearly identified source of reliable funding, as we propose with the phone line levy.

The case for a new ability to license orphan works is a very strong one. Many films, for example, some in the BBC archive, cannot be seen at all today because nobody knows who owns the copyright. It would be a criminal offence to show these films and that problem needs to be fixed. In the past few weeks, we have heard a good deal about the worries of photographers that clause 43 would allow people to exploit their work by claiming it to be "orphan". I understand and sympathise with those concerns, and I agree that they need to be addressed, but clause 43 would allow us to do that. In the end, if photographers were not satisfied that we were able to produce orphan rights regulations that met their needs, we would not proceed with the regulations. I welcome the statement about clause 43 made last week by a number of photography organisations, including the Association of Photographers, the National Union of Journalists, the Royal Photographic Society and Getty Images, welcoming changes made to the Bill in the other place and looking forward to working with Government on the regulations to be made under clause 43.

Mr. Watson: I have great admiration for how my right hon. Friend is putting his case, but I still have grave reservations about clauses 11 to 18, and it is with the greatest regret that I say that, although it is clear that the three Front-Bench teams are determined to railroad this through on Second Reading, if the Government cannot move on those clauses tomorrow—we will have only an hour on Third Reading—I will not be able to support the measures at the crucial vote on Third Reading. I am sure that I speak for other colleagues.

Mr. Timms: My hon. Friend, in his thoughtful speech, made his position clear. I say to him that our choice is between acting and not acting on unlawful downloading. That is the choice that the House needs to make, and I think that there is broad agreement across the House on the need to act in the way the Bill sets out.

I shall comment on some of the others points made in the debate. My right hon. Friend the Member for Cardiff, South and Penarth asked me to confirm that the powers in respect of Nominet would be used only as a last resort, and I can indeed give him that assurance. The hon. Member for Bath, who has entertained the House with the Liberal Democrats' policy changes, suggested having a super-affirmative procedure for clause 11. Actually, that clause is drawn pretty tightly, and the power can be used only following an assessment by Ofcom. So although I think it is appropriate for clause 18, I do not think that such an additional safeguard is appropriate for clause 11.

I pay tribute to my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt) for his contribution to this debate throughout his time in the House and for his contribution outside the House in creating the Oxford Internet Institute, for example. I wish him well for the future. The hon. Member for Maldon and East Chelmsford was right to underline the huge damage being done by piracy, but as I said earlier I agree that legislation on its own is not the sole answer.

Mr. Whittingdale: There is concern among some who have looked at the Bill that clause 46 might have similar sweeping powers to the unlamented clause 17. Will the Minister confirm that that is not the case?

Mr. Timms: Yes, I can. Clause 46 gives powers only to make amendments consequential on other parts of the Bill.

The hon. Member for Mid-Worcestershire (Peter Luff)—I enjoyed his Committee's report on broadband, and I, too, would have liked the response to have been published by today—made important points in his report and speech about 2 megabits per second. I agree that about 10 per cent. of homes still cannot get a 2 megabit per second broadband service. We need to make sure that they all can. Broadband Delivery UK, which started work just a few weeks ago, will be working up that definition.

We have had a very good debate. The digital economy and our creative industries are a source of great strength for the UK and our economy. There are enormous opportunities ahead. The digital economy holds out vast opportunities for the UK. The Bill will enable us to realise those opportunities, and I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

Motion made, and Question put forthwith (Standing Order No. 63). That the Bill be committed to a Committee of the whole House.—*(Mary Creagh.)*

Question agreed to.

Committee tomorrow.

DIGITAL ECONOMY BILL [*LORDS*] (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52 (1)(a)).

That, for the purposes of any Act resulting from the Digital Economy Bill [Lords], it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the Act in the sums payable under any other Act out of money so provided.—*(Mary Creagh.)*

Question agreed to.

DIGITAL ECONOMY BILL [*LORDS*] (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing Order No. 52 (1)(a)).

That, for the purposes of any Act resulting from the Digital Economy Bill [Lords], it is expedient to authorise

(a) provisions by virtue of which holders of radio licences granted under the Broadcasting Act 1990 or radio multiplex licences granted under the Broadcasting Act 1996 are or may be required to pay sums to the Office of Communications in connection with the renewal of such licences;

(b) provisions by virtue of which holders of licences granted under section 8 of the Wireless Telegraphy Act 2006 in accordance with regulations under section 14 of that Act (licences allocated by auction) may be required to pay sums to the Office of Communications in connection with such licences; and

(c) the payment of sums into the Consolidated Fund.—*(Mary Creagh.)*

Question agreed to.

EQUALITY BILL (PROGRAMME) (NO. 2)

Motion made, and Question put forthwith (Standing Order No. 83A(7)).

That the following provisions shall apply to the Equality Bill for the purpose of supplementing the Order of 11 May 2009 (Equality Bill (Programme)):

Consideration of Lords Amendments

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement at this day's sitting.

Subsequent stages

2. Any further Message from the Lords may be considered forthwith without any Question being put.

3. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*(Mary Creagh.)*

Question agreed to.

Equality Bill

Consideration of Lords amendments

Clause 9

RACE

10 pm

The Solicitor-General (Vera Baird): I beg to move, That this House agrees with Lords amendment 1.

Mr. Speaker: With this, it will be convenient to discuss Lords amendments 2, 29, 34 to 38, 53, 63 and 82.

Lords amendment 84, and amendment (a) thereto.

Lords amendments 85, 90, 91, 93 to 95, 106, 108, 109, 111 and 112.

The Solicitor-General: The amendments in this first group all relate to the scope of the Bill and are either concessionary or clarificatory. They are fairly random in their subject matter, so I shall take them in numerical order.

Lords amendment 1 provides a power to add caste as a subset of race, which is covered by clause 9. The case for legislating against caste discrimination has been argued with passion during the Bill's passage by Members of this House and in the other place. We have seen a good deal of evidence that caste can affect how people in Britain are treated, but the evidence has largely been about discrimination in relation to personal or social situations—for instance, the choice of who a person should marry—that are well outside the scope of discrimination law.

The small amount of mainly anecdotal evidence of caste discrimination occurring in areas covered by the Bill—employment, education and the provision of services, for example—emerged late in the day, when the Anti Caste Discrimination Alliance published a report last November. The Government acted on that report and asked the Equality and Human Rights Commission to undertake further in-depth research, but it did not wish to do so. We immediately commissioned the National Institute of Economic and Social Research to undertake further research into the nature and extent of the problem. That research is under way, and it involves talking to a wide range of community stakeholders and conducting detailed face-to-face interviews with about 35 people who claim to have experienced caste discrimination. The report from this in-depth study is due in August.

Mr. William Cash (Stone) (Con): Will the Minister explain whether this provision is to be subject to the affirmative resolution procedure? I am looking at clause 199, and I do not see that any requirement for such a provision—including a power to amend the Act—to be subject to the affirmative resolution procedure. It is bad enough to have a Henry VIII clause, let alone this.

The Solicitor-General: It is subject to the affirmative resolution procedure; I can assure the hon. Gentleman of that.

Jeremy Corbyn (Islington, North) (Lab): I am pleased to be able to intervene on my hon. and learned Friend as chair of the Dalit Solidarity Network trustees. I welcome the amendment and her response to it. Will she tell us who will evaluate the report that she has commissioned, and when she expects that evaluation to be complete so that whoever is the Minister at that time can introduce the necessary regulations?

The Solicitor-General: The process should be that the report comes out in August and if there is evidence—we intend to disclose and discuss it with all the stakeholders that brought the issue to our attention—amendment 1 would ensure that, if necessary, we could introduce an amendment through secondary legislation to include race and caste in the definitions. I hope that my hon. Friend finds that process acceptable. It is, of course, a precautionary measure, as it were, because we do not yet know what the research will show. We have every intention, now that we have some evidence, of plumbing to the depths to decide whether there is a need to legislate to protect another subset of persons.

I move swiftly on to deal with school issues through amendments 2 and 29 to clauses 17 and 84, which are about protecting pregnant schoolgirls and young mothers from discrimination in school. Already in place are duties on schools and local authorities to provide suitable education for all children. There is guidance for schools on the issue of school-age parents, which we initially felt was sufficient to provide protection for girls who got pregnant at school without extending discrimination law in this area. However, we have listened to the concerns raised and we are now prepared to extend protection from discrimination here as well to provide clarity and certainty.

To move briefly into party politics, amendments 34 to 36 amend clauses 104 and 105, dealing with the selection of candidates by political parties. They add an explicit proportionality test for the positive action that might be taken to reduce inequality in our democratic institutions. Action might be taken, for instance, to encourage greater participation by people from black and ethnic minority communities through proportionality; it might, for example, be proportionate to target extra training, mentoring or funding to prospective candidates from under-represented groups, but not to provide such support only to them to the exclusion of others. However, this proportionality test will not apply to the time-limited legislation to permit all-women shortlists, because we feel that the time limiting, until 2030, is already a proportionate way of tackling the serious and continued under-representation of women in Parliament and other elected institutions.

Still on the subject of party politics, amendments 37, 38, 63, 106 and 111 arise out of a recommendation from the Speaker's Conference. They would insert a new clause 106, which would give Ministers power to require registered political parties to publish data relating to the diversity of candidates seeking selection. The point is to help to disclose any under-representation with a view to identifying barriers that might be causing it. Let me be clear that nothing in the provision will require a potential candidate to disclose any personal information he or she does not wish to disclose, and that the requirement to publish will apply only to anonymised data from which nobody can be identified.

Mr. Cash: There is support on this side of the House for more women in Parliament. Will the Minister explain whether these provisions carry any sanction and, if so, what it is?

The Solicitor-General: We hope that everyone will co-operate, and we hope that the hon. Gentleman will encourage that co-operation in the usual way he encourages these radical and progressive measures to bear full fruit.

Mr. Cash: Will the Minister give way again on that point?

The Solicitor-General: I want to make some progress, if the hon. Gentleman does not mind.

Following full consultation, including with political parties, the Electoral Commission and the Equality and Human Rights Commission, regulations will set out among other things which protected characteristics must be reported on, when, for what period the data are to be published and in respect of which elections and which political parties. This means that the requirements can be flexible and responsive to changing circumstances. For instance, it will be possible to require just large political parties to report and for the reports to cover only sex and race and only in respect of general elections. As I say, the details will be the subject of full consultation before any requirements are imposed.

Turning to deal with civil partnerships, amendments 53, 85 and 112 would insert new provisions into the Bill to amend the Civil Partnership Act 2004. They would remove the express prohibition on civil partnerships taking place in religious premises. This change applies only to England and Wales because civil partnership is devolved and any decision on this issue for Scotland and Northern Ireland would be a matter for them.

These amendments were tabled in the other place on Report by Lord Ali and pressed to a Division. The Government allowed a free vote because it seemed to us to raise a matter of religious freedom and conscience. The vote was won in the Lords, and once the other place had made it clear that it intended the amendment to be accepted, we assisted to make sure that it would be effective. Let me make it clear that no religious group or denomination will be forced to open their place of worship to civil partnership if it does not want to; no proprietor of religious premises or religious denomination will be liable for discrimination if they do not post civil partnership registrations on their premises. That has to be applied for in order for such premises to be used for civil partnerships; it is left that way around, and the regulations governing the approval will be able to say, for instance, who can make an application on behalf of which denomination, and clearly that can be done only with proper consultation. A couple who wanted to register their civil partnership in a church that had not been approved for it could not do so, therefore, and they could not require a denomination to seek approval to enable it.

On harassment, amendments 82 and 84 would amend the general interpretation clause to make it clear for the avoidance of doubt that where harassment is not explicitly prohibited, for example in harassment related to religion, belief or sexual orientation in school, protection is none the less available through the provisions prohibiting direct discrimination by subjecting a person to a detriment. Therefore, a pupil who is harassed, in the commonly understood sense of the word, by a teacher as a result of his or her religion, belief or sexual orientation, can bring a claim for direct discrimination if the treatment causes that pupil to suffer a detriment.

An amendment opposed to this Lords amendment has been tabled by the hon. Members for Oxford, West and Abingdon (Dr. Harris) and for Hornsey and Wood Green (Lynne Featherstone), which would mean that in those areas where harassment is not specifically prohibited, a person bullied because of his or her religion or belief will not have a remedy under the Bill. Imagining that the motivation behind their amendment is a concern that even the current approach makes it too easy for those with religious sensitivities to complain, let me say that in the case of employment the specific definition of harassment for religion or belief has been in place since 2003, and in the case of goods and services the detriment element of the definition of religious or belief discrimination has been in place since 2007, and in neither area has significant trouble or problem arisen. I am sure Members will agree that it will be better that, for instance, a Muslim schoolboy subjected to bullying by a school playground supervisor because of his religion should have a remedy. For this reason, I will ask the hon. Gentleman and the hon. Lady to withdraw their amendment.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I would be grateful if the hon. and learned Lady would just clarify why she felt this amendment was needed at all, if it has always been the case that there was this recourse to detriment. If that is so, what does this amendment that the Government inserted in the Lords add to the current position?

The Solicitor-General: I think it makes it very much clearer, which is very important, especially for legislation that simply will not work unless it is accessible, comprehensible and understood by everybody who wants to be protected by it.

Amendments 90 and 108 on gender reassignment would amend schedules 3 and 24 to make it clear that it is not unlawful discrimination for a minister of religion to refuse to solemnise the marriage of a person if he or she reasonably believes the person has undergone gender reassignment. These amendments take account of the different arrangements governing marriages in the Church of England and the Church in Wales, where ministers are required to marry qualifying couples, the corresponding arrangements in Scotland and the different arrangements applying to marriages in registered buildings and other religious marriages. That preserves the existing provision under the Marriage Act 1949, which might otherwise have been in doubt given the Bill's extension of protection from gender reassignment discrimination to the exercise of public functions. That is a very specific provision.

10.15 pm

Let me turn briefly to broadcasting. Amendments 91 and 109 amend schedules 3 and 24, in response to broadcasters' concerns, simply to make it clear that nothing in the Bill is intended to undermine their editorial independence. The amendments put it beyond doubt that the services and public functions provisions do not apply to broadcasting and distribution of content services.

Mr. Cash: On the question of the editorial matters of the BBC, is the Minister satisfied that the rules regarding editorial policy embodied in the charter and in the guidelines adequately provide the degree of impartiality that is necessary in our present-day democracy? Does she think, perhaps, that the editorial policy needs to be tightened up?

The Solicitor-General: I am not sure what day Department for Culture, Media and Sport questions is, but I think that question was an excellent one formulated for the next event. This is the Equality Bill. *[Interruption.]*

Mr. Speaker: Order. I apologise for interrupting the Minister, but I say to the hon. Member for Stone (Mr. Cash), who is an experienced and senior Member of the House and who is well able to make his point when he is on his feet, that he should not also seek to make it from his seat.

The Solicitor-General: Thank you, Mr. Speaker.

Amendments 93 to 95 dip back into the religious world and the occupational requirement exception for organised religion in paragraph 2 of schedule 9—a paragraph and schedule with which we became very familiar in Committee. These amendments were opposed by the Government and would remove from the religious occupational requirements exception the proportionality test and the definition of the very narrow range of religious jobs that the exception covers. These elements, though, would remain implicit because they are in the current law. Although we regret that their lordships did not see the value of the clarifying provisions in the Bill and voted to accept these amendments, the fact remains that the Bill, as amended, has the same effect as the existing law. With that in mind, the Government have decided not to seek to reject these amendments.

Again, the hon. Members for Oxford, West and Abingdon and for Hornsey and Wood Green are resisting amendments 93 and 94, which remove the express proportionality test. I can only reiterate what they have heard me say many times before—there will be no reduction in protection as a result of the Lords amendments. We talked a lot in Committee about the High Court case—the Amicus case, as we call it. In the view of the High Court, the existing exception

"has to be construed purposively so as to ensure, so far as possible, compatibility with the Directive"

that underlies it. As a proportionality test is required by that directive, the exception must be construed compatibly with that. The removal of the express proportionality test will not change the legal effect of the exception.

The House might recall that it was mentioned on Report and Third Reading that the European Commission had delivered a reasoned opinion in November 2009 on two aspects of our implementation of this directive. We have now responded to that opinion, although the correspondence is kept confidential. However, as my noble Friend Baroness Royall explained on 25 January in the debate in Committee in the other place, we did not inform the European Commission that the Bill will amend regulation 7(3) of the 2003 regulations, which paragraph 2 of schedule 9 replaces, to bring the position into line with the directive. We did not say that because the existing legislation already complies with the directive. I ask the House to agree to these amendments.

Mr. Mark Harper (Forest of Dean) (Con): It is worth saying briefly at the outset—for the avoidance of doubt, and particularly because the Minister for Women and Equality, the right hon. and learned Member for Camberwell and Peckham (Ms Harman) goes around saying such things—that the Conservative party has never opposed the Bill. We are very pleased that it is nearing the end of its progress and that it will get Royal Assent before the House is dissolved. The reason for that is because it consolidates nine Acts of Parliament, 100 pieces of secondary legislation and 2,500 pages of guidance, and because it has been welcomed by many organisations as broadly simplifying and making more straightforward the existing law. What we have said is that we do not agree with three parts of the Bill. If we form the Government after the next election, we will not bring those three requirements—socio-economic duty, the mistaken way in which the Government are tackling equal pay, and positive action, which I shall mention later—into force.

The House will be pleased to know that I do not plan to speak to every amendment that the Solicitor-General has set out. I shall simply pick on one or two of them.

Dr. Evan Harris: Before the hon. Gentleman does that, will he make it clear whether his position is the same as that expressed by his colleague, the shadow Home Secretary, that bed-and-breakfast owners should be entitled to exclude people on the ground of their sexual orientation? The Conservative party's position on that issue, which relates to schedule 23, is not clear, but I think that lots of people would want to know what it is.

Mr. Harper: I am very pleased that the hon. Gentleman asked me that. I thought that someone would, and if it had not been him, I suspect that it would have been the Minister for Women and Equality, if she had been taking this business through, given that she cannot resist the opportunity to do so sometimes. I will be very clear. My hon. Friend the Member for Epsom and Ewell (Chris Grayling) has said himself that he voted in favour of those sexual orientation regulations. He is content with the law as it is and he does not seek to change it. On that, he is in line with the rest of the party. We support that part of the Bill and we do not propose to change it. I think that is abundantly clear.

Jeremy Corbyn: If there is no intention to change the law, why on earth did the hon. Member for Epsom and Ewell (Chris Grayling) make the suggestion that the law needed to be changed?

Mr. Harper: I have just set out my hon. Friend's position. *[Interruption.]* No, it is what he said, and I have just made very clear the position of both my hon. Friend and the Conservative party. That is very clear and does not need repeating.

On Lords amendment 1 on caste, which I know the hon. Member for Islington, North (Jeremy Corbyn) is interested in, the Solicitor-General made a very clear exposition of the need for the amendment. We discussed it in detail in Committee, and there was consensus that if there was clear evidence of harm and of a need for the measure, it made sense to have it in the legislation. I support having caste as a subset of race rather than inventing a new protected characteristic, and I think it would be sensible for whoever forms a Government after the next election to look very clearly at the evidence and to make a decision on that part of the legislation depending on whether there is evidence of harm.

On Lords amendments 34 to 38 on reporting the diversity of candidates, there was a very good debate in the House of Lords. My noble Friend, Baroness Morris of Bolton, set out our position clearly, and we are very

happy to support the proposals. I had a good discussion with the Solicitor-General, and received assurances that talks would take place with all political parties about how this might happen. I am glad that she reiterated the proposition, which was echoed by the representatives of the three main parties, that having diversity reporting on gender and ethnicity probably made sense to start off with.

There are a number of other problems, however. You will be aware, Mr. Speaker, that just last week the Commons had the opportunity to discuss in Westminster Hall the report from your Speaker's Conference on parliamentary representation. We had a good debate, led by the conference's vice chairman, the hon. Member for Aberdeen, South (Miss Begg), and we discussed some of the issues associated with difficulties in identifying candidates with a disability. Sometimes they are unwilling to be identified as disabled, and there are many problems in measuring disability. I therefore think that it probably makes sense to start off with reporting on gender and ethnicity. We can see how that works and whether it drives the necessary change before we consider reporting in other areas.

I want to touch on Lords amendments 93 to 95. For the avoidance of doubt, I must tell the hon. Member for Oxford, West and Abingdon (Dr. Harris) that we will not support his motions to disagree with the Lords in their amendments 93 and 94 if he presses them to a vote.

We were very pleased that the Lords passed these three amendments, as we believed that the Government were narrowing the scope of the exemptions available to religious organisations. The Government said that that was not their position, but we thought that it was, so we can all be happy—we have changed the Bill, which the Government now say does what they intended in the first place.

In Committee, the hon. Member for Stroud (Mr. Drew) pressed what is now Lords amendment 95 to a Division. We supported him and, although we were unable to win, I am pleased that these three amendments were moved in the House of Lords by my noble Friend Baroness O'Cathain. With her assistance, we were able to get support there to change the Bill, and I know that the Government have made the commitment that they will not try to change it back in this House.

It is worth noting that the bulk of Labour and Liberal Democrat peers voted not to change the law. Support came predominantly from Conservative peers, Cross Benchers and a number of the Lords Spiritual. Colleagues—certainly on our Conservative side of the House— may wish to let religious organisations in their constituencies know who stuck up for them when necessary in the upper House.

Dr. Evan Harris: What about the gay communities in their constituencies?

Mr. Harper: From a sedentary position, the hon. Member for Oxford, West and Abingdon asks about the gay communities in constituencies, but these measures are not purely about sexual orientation. For example, they allow a Church to require that a married priest conduct himself in accordance with his marriage vows and not be unfaithful to his wife. The measures are not about sexual orientation at all. To be fair, that was how the matter was reported by many of the news organisations, but that was not what they were about.

Miss Anne McIntosh (Vale of York) (Con): It is curious that the Government have not taken the opportunity to close the existing loophole on siblings' ability to inherit, for example. A similar loophole in respect of gays and other minorities has been closed, and that is welcome, but does my hon. Friend know why the Government did not use this Bill to extend such rights to siblings? There is great support on both sides of the House for closing that long-standing loophole.

Mr. Harper: I am grateful to my hon. Friend for her question, although I do not think that it affects any of these amendments. I understand her concerns, given the advent of civil partnerships: family members of people involved in such partnerships have not been able to understand why they cannot take advantage of inheritance tax rules. That is what I think that she is referring to, although I do not think that this Equality Bill is the right place to address her perfectly good questions. Perhaps they should be addressed elsewhere, and I am sure that she will raise them in future debates.

I shall draw my remarks to a close by saying that we welcome this group of amendments. If the hon. Member for Oxford, West and Abingdon presses any of his amendments to a vote, I am afraid that we will not support him.

Dr. Evan Harris: First, I can assure the House that we will not press my amendments to a vote so, if they trust me, those hon. Members who are hanging around can relax. However, they all seem to be staying, which I guess is fair enough.

It is interesting to hear the Conservatives say they generally support the Bill.

Miss Ann Widdecombe (Maidstone and The Weald) (Con): I don't.

Dr. Harris: I suspect the right hon. Lady speaks for a large number of her colleagues in the country as a whole. However, the Conservative Front-Bench speakers say that in general they do not oppose the Bill, and I believe them. They do not oppose it, because it is not a radical Bill. As the hon. Member for Forest of Dean (Mr. Harper) made clear, it is mainly a reorganising Bill, and it has missed huge opportunities to be much more radical. The Government cannot say both that the Bill is radical and that the Conservatives who support it are anti-equality. In many cases, the Conservatives are anti-equality, but the Bill is not the test that shows it—except in the three areas mentioned by the hon. Gentleman. It is unfortunate that even though the Bill was amended in the Lords it is not as strong as it could be in many respects.

10.30 pm

I should like to press the hon. Member for Forest of Dean on the question about the shadow Home Secretary. If the shadow Home Secretary does not think the Bill should be changed, was he advocating that the law be ignored—an unusual position for a shadow Home Secretary—when he said that people should be able to exclude other people on the basis of sexual orientation? I fear that question will go unanswered.

We welcome Lords amendment 1. Members may recall that Liberal Democrats in this House first raised the issue. We did not have a great welcome from the

Minister in Committee, but on reflection in the Lords, and thanks to the work of Lord Avebury and Lord Harries of Pentregarth, among others, the Government were persuaded to compromise, so we have a provision that is welcome as far as it goes.

There were a number of amendments on equal pay, including on comparators. The Government have accepted amendments proposed by my noble Friend, Lord Lester—or that they tabled following discussion with him. Those amendments are welcome because they improve the equal pay situation. However, we regret the fact that the pay audit provisions in the Bill are still weak, because we were unable to get a majority for amendments in the Lords, despite our best efforts. Of course, the Conservatives think that even measures requiring companies to carry out audits at a certain point go too far, which says a lot about the Conservative commitment to equality.

I particularly welcome Lords amendment 29, the Government's concession on pregnancy in schools. The issue was raised in Committee in the House of Commons and I am pleased that the Government were persuaded that it was wrong not to make it explicit in the Bill that pregnant schoolgirls should not be exempted from some of the equality laws. That is important.

We welcome Lords amendments 34 to 38, which deal with diversity in the range of candidates. I endorse what has been said about the work of the Speaker's Commission in that respect.

I have sympathy for the Government's position, as expressed in the House of Lords, on civil partnerships on religious premises. It is not ideal to use the Equality Bill to change civil partnerships from being the equivalent of a same-sex civil marriage. The introduction of language about religious buildings or religious services would mean that there was no longer a read-across between civil marriage and civil partnership. The most effective way of dealing with what I recognise is a legitimate wish of people to have a religious aspect to their civil partnership would be to provide for same-sex marriage and amend the Marriage Acts. My party has been very clear: we think society has moved on sufficiently for the Government and the House to take a lead on that. It happens in other jurisdictions, and it is unfortunate that the Government will, as I suspect, leave office after 13 years without having been able to make an advance in that respect. Things are now made more complicated, in terms of what is civil about civil partnerships, by the fact that that had to be the necessary compromise.

Lords amendment 84 is the extra provision that the Government included. The reason why I express concern about that Lords amendment, especially as it relates to religion and belief, is to ensure that we have as much freedom of speech and expression as possible for religious people. The House has resisted, as has the House of Lords—rightly—a free-standing provision on harassment on the grounds of religion and belief in the delivery of services. Yes of course, in employment it is right and proper to have such a provision, but outside employment there are real concerns that if one enables people to take harassment proceedings on the basis of feeling that their dignity has been infringed or that they have been exposed to an offensive environment—that is the terminology of harassment law—it would mean that, for example, Christian hotel owners who display a poster, crucifix or some such thing in the public areas of their business where their customers will see it might well find themselves open to complaints that people are being harassed.

The Solicitor-General: Will the hon. Gentleman give way?

Dr. Harris: I will give way in a moment.

I know that such things are not covered by this provision, but I am concerned that it introduces such an offence by the back door, and will encourage such action by people who are over-sensitive to statements or expressions of belief by people who have strong religious feelings. Although I may not agree with the strong exposition of religious belief, I am second to none in my concern that that freedom of speech should be protected. If the Solicitor-General wants to intervene, as she indicated a moment ago, I would be grateful if gave an assurance that it is not her intention to include a harassment provision.

The Solicitor-General: I thank the hon. Gentleman for giving me the opportunity to intervene. He is utterly wrong, but he knows that, because he said this about six times in Committee, and I have told him six times that he is wrong. The case law is incredibly clear. For the sixth time, let me say that it is called Driskel *v.* Peninsula Business Services, and the Employment Appeal Tribunal made it clear that where the facts simply disclose hypersensitivity on the part of the applicant to conduct that was not perceived by the alleged discriminator as being to their detriment, there is no discrimination. I am sorry, but the hon. Gentleman is terribly wrong.

Dr. Harris: We could not have had this discussion in Committee, because the provision in Lords amendment 84 was introduced on the last day in Committee in the House of Lords and was never debated in Committee in this House.

The Solicitor-General: That is completely wrong as well. The hon. Gentleman knows perfectly well that we had this very same debate on about 15 different amendments all the way through our consideration in Committee. Forgive me, but he is verging on the disingenuous by pretending that this is something new. It clearly and totally is not.

Dr. Harris: The suggested words, which appear in what would be clause 210(5) if we accepted the amendment, are completely new. At no point, because no hon. Member supported a free-standing religious harassment provision, was this debated in Committee. It was not even fully debated in the House of Lords. That is a symptom of what we have seen in the passage of this Bill, which is being rushed through at the very end of this Parliament.

Mr. Cash: I have crossed swords with the hon. Gentleman on a number of occasions in relation to religious susceptibilities. Is he saying that he believes that—quite rightly—Christians who wish, for example, to wear crucifixes round their necks should be entitled to do so in circumstances of the kind that he describes? Will he be quite explicit about that?

Dr. Harris: The hon. Gentleman invites me to make a distinction—I am happy to do so—between people's ability to express their religious views wherever and whenever in employment, which, as the Court of Appeal has said, can be legitimately restricted without its being either direct or indirect discrimination. I urge him to read the Court of Appeal's judgment in the case of Eweida from beginning to end, because it is absolutely clear on that point, but that is separate from what should concern all of us: the possibility of people who use a service—whether a public service or, particularly, a commercial service—taking offence at someone's expression of religious views. We cannot have that, and despite the Minister's normal bluster, she has not explained why, if this measure was not necessary, it has been brought in. A problem will be created when people read that the fact that there is no provision on harassment on the grounds of religion

"does not prevent conduct relating to that characteristic from amounting to a detriment for the purposes of discrimination within section 13".

It might well be that a detriment is a higher threshold than that for a harassment claim, and that is dealt with in detail in an article by Michael Rubenstein in the March 2010 *Equal Opportunities Review*, which I commend to the Minister. The article points out, inter alia, that the threshold is not greatly different, and I am worried that even hypersensitive people whose cases would fail in the first instance will bring forward such cases because of sensitivity.

Mr. Cash: Much of the law in this area is based on matters that arise from the European convention on human rights and the Human Rights Act 1998. Is the hon. Gentleman aware of the strictures that the Lord Chief Justice gave in his speech to the Judicial Studies Board on 17 March about judges who were overindulging their enthusiasm for human rights law? Perhaps this is yet another example, and just as the hon. Gentleman suggested that I should read the case in question, I suggest that he might like to read what the Lord Chief Justice said only a few days ago.

Dr. Harris: I shall do that; we will have some time off for good behaviour in a few days. However, I am surprised that the hon. Gentleman, of all people, does not know that law in this area is framed by a European Union treaty to which we are signed up—

Mr. Cash *rose*—

Dr. Harris: I do not wish to go into that area, but I am sure that the hon. Gentleman will have an opportunity, to catch your eye, Mr. Speaker.

I want to draw my remarks to a close by dealing with the final area of concern: Lords amendments 93 to 95, and especially Lords amendments 93 and 94, to which my hon. Friend the Member for Hornsey and Wood Green (Lynne Featherstone) and I have tabled motions to disagree. In normal circumstances, I would seek to press those motions, but in resisting the Lords I am—unusually for me—merely backing the Government's position. The fact that the Government are not backing their own position is a sign that they have run out of the time, if not the energy, to say to the Lords that it is not acceptable for them to remove the proportionality requirement. That requirement is in the directive, and it should be made clear. It is extremely disappointing that Parliament is saying that it is acceptable for someone such as a youth worker in a church to be sacked because it is found that they are gay, even though they are doing a perfectly good job, and that there need be no proportionality.

John Mason (Glasgow, East) (SNP): I must challenge the hon. Gentleman on his use of the word "acceptable". Many churches and religious organisations think that what they believe and what they do are inherently tied together, and it is impossible to say that someone is doing a job acceptably if they are working against the beliefs of that organisation.

Dr. Harris: There is a fundamental problem. It is absolutely right that religious organisations should have the exemption for jobs that the Government tried to set out clearly in paragraph 2(8) of schedule 9, which Lords amendment 95 removes. The Government amended the original poorly framed provision to make it even clearer, and it stated that the right to discriminate should be restricted essentially to priests and people who directly teach scripture. Youth workers, however, do not do that, and it is wrong to destroy the career of someone who has devoted their life to helping children purely on the basis of their sexual orientation when that has nothing to do with the delivery of their job.

It is unfortunate that the Government are facing infraction proceedings even on the existing measure, after we removed their attempt, as they put it, to clarify. The Government are right and the Conservatives are wrong about this being a sufficient narrowing of the exemption. That is why we opposed it. We thought the exemption should have been narrowed somewhat. The fact that the Government ended up being defeated on a measure that did not achieve what it should have achieved shows that this part of the Bill has been badly handled.

At this stage of the Parliament and at this hour, it is inappropriate to seek to divide the House on these matters, but I hope it is clear that the Liberal Democrats believe that although this is a good Bill, and that many of the measures in it are welcome, it could have gone much further in achieving the equality that many of us say we want to see, and which many of us believe is needed.

10.45 pm

John McDonnell (Hayes and Harlington) (Lab): I shall speak to amendment 1, and welcome the Government's acceptance of the Lords amendment. The background to it has been described, but the process started with representations received by a number of us from constituents and organisations such as the Dalit Solidarity Network and a series of temples across the country, led by the Shri Guru Ravi Dass temple in Southall, where representations were made to us about some of the horrendous implications of caste discrimination transposed from the Indian subcontinent to this country.

The matter was raised on Second Reading by Members across the House, and debated in Committee. My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) tabled an amendment to outlaw caste discrimination immediately. The Government were not convinced that there was sufficient evidence, so I tabled an amendment that would give Ministers the power to

[John McDonnell]

outlaw caste discrimination when they became convinced of the evidence. That was taken up in the Lords and has been accepted by the Government.

It is rare for a Back Bencher—certainly for this Back Bencher—to convince the Government about an amendment to a Bill, and I am grateful that they accepted this one. I am grateful for the co-operation that we received from the Front Bench and the flexibility that has been shown. The legislation will tackle discriminatory practices in this country which have scarred the lives of many people, and continue to do so, in all their activities in our society. The Minister said that the report could be produced within months. There will be further consultation on the basis of the evidence in the report, and the measure will be subject to an affirmative resolution of the House.

One of the issues in the first round of consultations was that the scope of those consultations did not extend to the wide range of organisations that represent the victims of caste discrimination. The consultation largely took into account the views of organisations representing some of those who have been involved in caste discrimination. I urge upon the Government, and subsequent Governments, the need for care. When the evidence report is produced, there should be thorough and exhaustive consultation with a wide range of organisations, particularly those such as the Shri Guru Ravi Dass temples, that represent people in our society who have hard and solid experience of caste discrimination over generations.

I hope that a speedy report can be brought to the House through the affirmative resolution procedure, and that at long last we can put into our unwritten constitution laws, such as exist in the written Indian constitution, that will outlaw caste discrimination once and for all, and give some protection to those who have suffered from it for generation after generation.

John Mason: I echo the welcome that has been given to the Bill. It is a good Bill, and it is good that it will get through before Dissolution. There was room for improvement, and some has been achieved via the House of Lords. The inclusion of caste is welcome, and on other matters the Government have given the assurances and the clarification that were sought in Committee and elsewhere. On employment, we certainly want employers to get the best person for the job, but I welcome the restrictions on what they can ask before people are appointed.

I am happy to agree with the hon. Member for Oxford, West and Abingdon (Dr. Harris) that many measures are not as strong as they could have been, and I agree that the Bill could have been stronger on many issues. It could have done with a purpose clause, as we said in Committee, and with guidance on how the courts are to deal with conflicts between different protected characteristics. As we also said in Committee, there is some concern among religious schools that when there is a conflict between two different protected characteristics, religion comes last. I accept that in Committee the Solicitor-General gave an assurance that that was not the Government's intention, but it would have been good to say so in the Bill.

On a personal note, I welcome Lords amendments 93 to 95, and in particular amendment 95, the subject of which has been debated at length in Committee and on the Floor of the House. The wider religious public felt that the Bill represented a tightening of the previous legislation, whatever the Government might have said, and it would have incorporated positions that the Government had not intended to include. Youth workers were originally mentioned in the explanatory notes, and some did not realise that such workers are in many ways junior ministers, or junior priests, who lead young people spiritually in just the same way as ministers, priests and pastors.

Within church and religious organisations, belief and practice are seen as important and tied together, and to say, "Such and such behaviour has nothing to do with the job," shows a lack of understanding about what religious people think. It was disappointing that the Government did not give ground on those issues before, but I welcome their acceptance of the idea now.

That leaves in the air the relationship between the Church and the state, but that question is somewhat wider than our debate about the Bill. However, the state must be wary of becoming too involved in religious groups and how religious organisations operate. The danger is that many law-abiding citizens may be unnecessarily antagonised, and we do not want to go there. However, I welcome the Bill as a whole, and the amendments.

Jeremy Corbyn: I shall be brief, because there is not much time and others might wish to say something. First I thank all those who helped to support the agreement on the amendment about discrimination by caste and descent, otherwise known as discrimination against Dalit peoples. There has been a long campaign by many people, and my hon. Friend the Member for Hayes and Harlington (John McDonnell) has played a big part in that, as have others. I was pleased that the Lords finally inserted that measure, because it at least recognises that in this country there is a problem of discrimination by caste and descent. It is a tiny part of the massive amount of discrimination that exists throughout the world, whereby 200 million lower-caste individuals are systematically discriminated against. In parts of the sub-continent they are killed, they live awful lives, do awful jobs, end up fundamentally underachieving, and their children are unable to receive a proper education.

I say that because India has, on the face of it, a constitution that absolutely outlaws such discrimination, yet it goes on because of the lack of representation, the authorities' lack of will to investigate and a lack of any ability to prosecute those who perpetrate it. Discrimination in this country is nothing like as bad as that, but there is evidence of systematic discrimination, and I am pleased that the Minister has ordered an investigation. I am extremely disappointed that the Equality and Human Rights Commission refused to undertake it, because its function is to investigate discrimination, particularly when there is prima facie evidence that it should be investigated. I hope that the commission will mend its ways on that matter.

If and when we reach the point at which regulations must be introduced, I hope that the House will support them. Above all, I hope that any cases that are brought to the attention of the Equality and Human Rights Commission, or any other competent authorities at that point, will be investigated, and where necessary prosecuted, so that we are quite clear that in this country we are not

prepared to accept such discrimination, and that in the councils of the world, British Government representatives will act accordingly to ensure that it is outlawed worldwide. Such discrimination is monstrous, and it is practised against a large number of people. I am pleased that we have made this progress today, and I thank the Minister for it.

Mr. Cash: I would like to draw the Minister's attention to the explanatory notes and the fact that, in relation to the Human Rights Act 1998, Baroness Royall of Blaisdon has said she believes that the Bill's provisions are compatible with convention rights. In respect of that, I should like to comment briefly on and quote from the recent important and seminal speech by the Lord Chief Justice himself about these matters. He said:

"The primary responsibility for saving the common law system of proceeding by precedent is primarily a matter for us as judges...Are we becoming so focussed on Strasbourg and the Convention that instead of incorporating Convention principles within and developing the common law accordingly as a single coherent unit, we are allowing the Convention to assume an unspoken priority over the common law? Or is it that we are just still on honeymoon with the Convention? We must beware. It would be a sad day if the home of the common law lost its standing as a common Law authority."

I too make those points, and many others are contained in that very important speech made by the Lord Chief Justice on 17 March. Mr. Geoffrey Robertson QC has made similar remarks with regard to the European convention. Such concerns lie at the heart of a lot of this legislation. Many of us are very keen on the idea of fairness and equality, but should that stem exclusively from abstract principles adjudicated in Strasbourg? As the Lord Chief Justice also points out, there is now an overlap with the European Court of Justice; I have been warning about that in the House for several years.

We are moving in a direction that has been referred to by the Lord Chief Justice, Geoffrey Robertson QC and Lord Hoffmann in a speech that he made some months ago. Many distinguished Members and former Members of the House of Lords are demonstrating that we Conservatives are right in questioning the extent to which the human rights culture, as expressed most recently by the Joint Committee on Human Rights, is going way off track.

The Solicitor-General: With the leave of the House, Mr. Speaker, I shall reply to the debate. As ever, the hon. Member for Oxford, West and Abingdon (Dr. Harris) has over-argued his case. I hope that he sometimes has pause for thought about how conjuring up surreal incidents of harassment—putting forward examples that have never existed and suggesting that people behave as outrageously as he wants to suggest—can be divisive.

The Liberal Democrats have broadly supported the Bill, and we are glad of that; I am just sorry that the hon. Member for Oxford, West and Abingdon cannot understand how extreme his views are. The Tories say that they are in favour of the Bill, but they have ended as they began, wanting only to codify and streamline, showing no interest in mobilising the public authorities to tackle further socio-economic inequality and no interest in positive action, and coming out against anything likely to be effective in improving equal pay.

Although at the Dispatch Box the hon. Member for Forest of Dean (Mr. Harper) no doubt believes that his party is pro-equality, when its Members are off camera they are different, and the mask slips. His colleagues show him up. Contrary to what has just been asserted, the hon. Member for Epsom and Ewell (Chris Grayling) undoubtedly said that a bed-and-breakfast trader should be allowed to turn a gay couple away.

The Bill will work only if it is driven and pressed through society. I have listened to all that is said by the hon. Gentleman's colleagues when the mask slips, although he is strong and fair on equality. Older people, women, victims of caste discrimination and the many other people whose lives will be improved by the Bill know perfectly well that the only Government who will drive it forward are the next Labour Government.

Lords amendment 1 agreed to.

Lords amendment 2 agreed to.

11 pm

One hour having elapsed since the commencement of proceedings on consideration of Lords amendments, the proceedings were interrupted (Programme Order, this day);

The Speaker put forthwith the Question necessary for the disposal of the business to be concluded at that time (Standing Order No. 83F).

Lords amendments 3 to 114 agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

FINANCIAL SERVICES AND MARKETS

That the draft Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010, which were laid before this House on 3 February, be approved. — (*Lyn Brown.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

CONSTITUTIONAL LAW

That the draft National Assembly for Wales (Legislative Competence) (Transport) Order 2010, which was laid before this House on 4 March, be approved. — (*Lyn Brown.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

COMPANIES

That the draft Financial Services and Markets Act 2000 (Liability of Issuers) Regulations 2010, which were laid before this House on 8 March, be approved. — (*Lyn Brown.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

CRIMINAL LAW

That the draft Al-Qaida and Taliban (Asset-Freezing) Regulations 2010, which were laid before this House on 15 March, be approved. — (*Lyn Brown.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

LEGAL SERVICES

That the draft Damages-Based Agreements Regulations 2010, which were laid before this House on 16 March, be approved.—*(Lyn Brown.)*

Question agreed to.

PETITIONS

Equitable Life (Hornsey and Wood Green)

11.1 pm

Lynne Featherstone (Hornsey and Wood Green) (LD): The petition states:

The Petition of residents of the constituency of Hornsey and Wood Green in the Greater London region of the U.K. regarding the Government's response to the Parliamentary Ombudsman's reports on Equitable Life,

Declares that the Petitioners either are or they represent or support members, former members or personal representatives of deceased members of the Equitable Life Assurance Society who have suffered maladministration leading to injustice, as found by the Parliamentary Ombudsman in her report upon Equitable Life, ordered by the House of Commons to be printed on 16 July 2008 and bearing reference number HC 815; and further declares that the Petitioners or those whom they represent or support have suffered regulatory failure on the part of the public bodies responsible from the year 1992 onwards, but have not received compensation for the resulting losses and outrage.

The Petitioners therefore request that the House of Commons urges the Government to uphold the constitutional standing of the Parliamentary Ombudsman by complying with the findings and recommendations of her Report upon Equitable Life.

And the Petitioners remain, etc.

[P000736]

Cosmetics Testing on Animals

Mr. Andrew Pelling (Croydon, Central) (Ind): It is my great pleasure to present my petitions after a very good Member, the hon. Member for Hornsey and Wood Green (Lynne Featherstone), and that they have been provided for by the very effective campaigning of the vivacious students of Coloma convent high school.

The first petition states:

The Petition of the students of Coloma Convent High School and the people of Croydon,

Declares that cosmetics testing on animals is unethical and should be banned.

The Petitioners therefore request that the House of Commons urges the Government to bring in a bill to outlaw the testing of cosmetics on animals.

And the Petitioners remain, etc.

[P000818]

Size Zero Models

Mr. Andrew Pelling (Croydon, Central) (Ind): The second petition states:

The Petition of the students of Coloma Convent High School and the people of Croydon,

Declares that size zero models set an unhealthy and unrealistic example to young girls, and influence the incidence of eating disorders such as bulimia and anorexia.

The Petitioners therefore request that the House of Commons urges the Government to introduce industry guidelines for the responsible employment of healthy models and guidelines for the media to ensure the responsible portrayal of women.

And the Petitioners remain, etc.

[P000817]

Gladys Taulo

Motion made, and Question proposed, That this House do now adjourn.—*(Lyn Brown.)*

11.5 pm

Miss Ann Widdecombe (Maidstone and The Weald) (Con): I think that I should apologise to the House on two counts. The first is because I said only a couple of days ago that I was making my last speech in this House, but that was before I realised that I was going to be lucky in the lottery at the last moment. The second reason why I should apologise, if not to the House, certainly to the Minister, is because this is the second time within seven days that I have caused him to be detained late at night to answer a constituency case.

This serious case demonstrates a malaise that is only too prevalent in official life—I hope that I may put it that way—in this country. I do not even say that that is solely the fault of this Government, because this malaise has been creeping up on us for a long while. However, this Government's obsession with targets and driving everything by numbers has meant that the malaise has intensified under them. The case of Mrs. Gladys Taulo is a very good illustration of that, because when officials are told that they have to work to targets and they have to secure a certain number of removals or a certain percentage of enforcements, it means that they are not going to spend a great deal of time on one very difficult case if they can push the score up by dealing with 20 easy cases in the same period. So, instead of pursuing immigration cases involving those people who have deliberately defied our law, who have come to this country unlawfully and who have disappeared and are very hard to trace, officials find it much easier to go for the people whose whereabouts are known and who are operating and functioning in society according to the law but who have committed, sometimes inadvertently, some technical breach of the law. They may not even have committed that, and such is the case of Mrs. Gladys Taulo.

Let me say at the outset that when I raised the other case, that of my constituents Mr. and Mrs. Acott, in this place last week the Minister was extremely encouraging towards me and I am very hopeful that that encouragement will result in positive action. I hope that he will be equally encouraging tonight in respect of the case of Mrs. Taulo. She is a senior care worker who came to this country perfectly lawfully on a work permit in November 2004. She came with a national vocational qualification level 3 qualification and she came to work as a senior carer at Winterwood UK Ltd, trading as Barty nursing home. She did that work in a most satisfactory fashion and she extended her work permit with the same employer—I stress that—in November 2006, when her leave was extended by the Home Office up to November 2009. By November 2009, my constituent had been in this country lawfully on a work permit and had been doing a vital job.

Mrs. Taulo is accompanied by her husband and three children, two of whom are at sensitive stages of schooling. One is 19, but one is 17 and doing A-levels and one is 14 and embarking upon a GCSE course. Therefore, the uncertainty to which the family have become subject, which I shall explain in a moment, is having a disturbing and unsettling effect on them all.

My constituent worked continuously for the employer named on the work permit, but she also took up part-time employment at a nursing home managed by Allied Healthcare Group. Her solicitors have stated clearly to the Home Office that the employment was not for more than 20 hours per week. My constituent never stopped working in all this time for her specified employer, and she only took up part-time work with the other employer. In July 2008, the Home Office intervened in her immigration status and served removal directions on the basis that she should not have taken up her second employment.

There followed a series of appeals that, the Minister will doubtless tell the House, were not successful. Initially, Mrs. Taulo believed that she had been wrong to take up the secondary work, which I stress was over and above her full-time work for the employer named on the work permit. That never changed; the work was secondary to that and taken up outside her normal working hours. She did it because there was a shortage of carers and because the employer very much wanted her to do it. However, she also did it to improve her own position. Considering the number of those who would come here and seek to be maintained at a cost to the public purse, I would say that it is admirable that she sought to add to her income by doing a useful job in exactly the same field as, and over and above, her main job covered by the work permit.

Mrs. Taulo worked for only one other nursing home, so it is not as though she was down with an agency and working all hours—that nursing home was managed by the Allied Healthcare Group—and she worked, as I said, for fewer than 20 hours a week. She carried on working a full week with her specified employer. Initially, she believed that she should not have done that, but in fact she has been advised that, according to immigration law, it is permitted for a work permit holder to take up supplementary employment, provided it is for not more than 20 hours a week and that it is outside his or her normal working hours. Those conditions were met in the case of my constituent.

Mrs. Taulo and her solicitors say—and on the information available to me, I would say—that she has not breached paragraphs 128 to 130 of the immigration rules relevant to work permit holders. Nor has she failed to observe any condition of leave to enter or remain, and therefore she is not a suitable person to have removal proceedings taken against her. Yet, everybody has been obdurate, including the Home Office, in insisting on this removal. *[Interruption.]* The Minister looks as though he is about to dispute that statement, so I shall look forward to hearing from him; I would love him to dispute it. If he is not obdurate, if he has changed his mind and if the previous letters that we have on file from the Home Office are all wrong, I will rejoice and regard it as a splendid ending to my time in the House, and I shall give the Minister all credit and say what a reasonable Minister, in this instance at any rate, he has been. I hope very much that the Home Office has not been obdurate, but according to all our papers and previous replies, it has been.

Discretion and common sense should prevail. I would say that kindness also should prevail, given the situation with the family: the husband is receiving health care and two of the children are at vital stages of their education. However, discretion and common sense, above all, should prevail. Had Mrs. Taulo departed from her

[Miss Ann Widdecombe]

named employer and been working all over the place, and had she departed from the field of work on the basis of which she was allowed to enter this country in the first place, I would say that the Home Office was justified, but she has not been doing any of that. To insist on removal, which is a tremendously serious step, is not only unfair to the family but completely detrimental to those who depend on that lady for the job that she does. If she goes, who will be the carer? Who else is going to do the job? Someone else coming in on a work permit. It would be in everyone's interest—including the public interest—if that lady and her family were allowed to stay, having been in this country quite lawfully since 2004. I very much look forward to the Minister's reply, and if he wants to throw in two lines on the Acott case as well, I would be delighted.

11.15 pm

The Minister for Borders and Immigration (Mr. Phil Woolas): I should like to offer more than the traditional congratulations to the right hon. Member for Maidstone and The Weald (Miss Widdecombe) on securing this debate; she has now had two in two weeks. I would like to quote briefly from this week's *House* magazine, in which she has the quote of the week. She says:

"I always imagined that when I was making my last speech and about to depart, I would be sad – instead of which I find my uppermost sentiment is one of profound relief."

I do not know whether she feels that again this evening. I would like to tell her that the House will miss her. She brings the House into good repute. She and I disagree on many matters politically but, as I said the week before last, we agree on more things than people would expect.

I should like to make a partisan point at this stage. The right hon. Lady said that there was a problem with targets in this country, and that we went for the easy cases because of those targets. That is not our policy, however. The criteria that we apply put the harmful cases at the top. The removal of foreign national prisoners is an example. Every day, in some of the tabloid newspapers, we see instances of our fighting exactly those cases, and expending significant resources on doing so. Of course we should apply common sense, and I shall demonstrate how we are doing so, but we cannot run the immigration system on a whim. There are rules and laws that have been passed by the House, and in this particular case the lady in question was outside the rules. Were I to say that I would not enforce them because she was a nice lady, or for some other reason, I would be subject to ridicule.

To continue with my partisan point, I presume that, if the right hon. Lady is against targets, she will be speaking out in the next few weeks against her own party's ridiculous immigration policy, which is based entirely on a target—a cap—that would be damaging. The cap would be applied to tier 1 and tier 2 cases exactly like this one, and people would be excluded not on the basis of common sense but on the basis that the cap had been reached. Whatever the needs of the care sector, for example, no one would be allowed in. Apart from being impractical, that is exactly the kind of policy that brings targets into disrepute. The Opposition criticise us for having targets, but they are proposing just such a policy to replace ours, so I hope that the right hon. Lady will speak out about that.

I also hope that the right hon. Lady will speak out in favour of the enforcement of the rules. She has raised the case of this particular family, and I am allowed to respond. The family is in education, and it is using the national health service. I have no doubt whatever that the lady in question has contributed significantly and that she has paid taxes, but you cannot have it both ways. Well, you can, Mr. Deputy Speaker, because you are the Deputy Speaker, but one cannot have it both ways. One cannot be in favour of controlled and managed migration that does not allow anyone to operate outside the rules or to use the NHS or the education service, but then say that we should not implement the rules.

I shall turn to the specific points of this case, because I am sure that they will be of more interest to the right hon. Lady. Before I move on, I should say that a letter is in the post and on its way—

Miss Widdecombe: Is it encouraging?

Mr. Woolas: It is not discouraging. We could perhaps talk outside this debate about the way forward, when the right hon. Lady has considered the letter.

Let me turn to the particular case. The right hon. Lady has outlined the background to it. It comes down to the point that a work permit and an extension to it were granted. Then, in 2008, a local immigration team in Kent investigated—not, as I understand it, the specific lady, but the employer. That again meets the right hon. Lady's point about targets, as this did not happen in any way because this lady was a soft target or anything like that. However, she was served with an IS151A, which the right hon. Lady will remember is a notice to a person liable to removal as a worker in breach of condition under section 10 of the Immigration and Asylum Act 1999, which invalidated her work permit. Incidentally and for the record, contrary to the accusation that the Government had an open-door policy at that stage, the 1999 Act toughened up the immigration rules.

Mrs. Taulo was permitted to work for two employers under the terms of her work permit, but only within the hours allowed. There was a breach of the conditions of the work permit, which led to the IS151A. There was a mistake at that stage of the case, which, after my investigations, I have been able to highlight. The order was mistakenly issued on the basis that Mrs. Taulo could not work for both companies. As the right hon. Lady said, that is not the case; it is permissible to work for two or even three employers, as it is the total hours that count. This was correctly served on Mrs. Taulo, however, on the basis of the number of hours she worked.

Mrs. Taulo was advised of her right to an out-of-country appeal against the decision to invalidate the leave. However, an in-country appeal was incorrectly lodged against that decision to curtail her leave—and the decision was not, of course, taken by the UK Border Agency. Leave had not been curtailed; it had been invalidated. I know that the right hon. Lady understands the difference, as she has done this job herself. As there was no in-country right of appeal, the appeal was invalid and it should have been struck out. I have no information to explain why it was not struck out or why the appeal continued, but in any case the judge dismissed the appeal—the right hon. Lady predicted this part of my speech—upholding the decision to serve the IS151A, stating that

removal would not breach article 8, as it had been claimed. Further appeal was lodged in the High Court. It is at this point that the public start to get frustrated by the seemingly endless delays in the courts, but on 10 October 2008 Mrs. Taulo was deemed appeal rights exhausted and liable to removal.

In February 2009, Mrs. Taulo was interviewed in connection with her children's education and it was agreed that it would not be appropriate to pursue enforcement action because of the timing of the A-levels being studied by one of the children. We provide that flexibility. Again, I am heavily criticised, as is anyone holding my position, for providing that flexibility, which is sometimes difficult to explain to constituents.

However, let us think about moving forwards, which is what the right hon. Lady wants to hear. Mrs. Taulo is permitted to make an in-country, online application under tier 2 of the points-based system. That procedure will tell her immediately whether she has enough points to succeed. Mrs. Taulo's employers would need to obtain a certificate of sponsorship if they have not so already, although I imagine they would have in this sector of work. The UK Border Agency will take no enforcement action against Mrs. Taulo or her family while her application is processed or during the three months before any of her children sit any final exams—GCSEs, A-levels or their equivalent.

I hope that is helpful, but I do not intend to go into too much detail on the procedure. It is best if we can proceed on the basis I have set out, if, of course, that is what the lady in question and her family want to do. If that is the case, for my part, I will ensure that no enforcement action is taken in the meantime.

Turning to the wider policy, to be fair to the right hon. Lady, she did not specifically criticise UKBA—indeed, she did not even mention it. She did mention the culture of targets, however, and any person with common sense understands the point she makes. The agency does not just bear that in mind: through our board and management structures, it looks to see that there are no unintended consequences of the application of targets. We apply the criteria in such a way that the most harmful cases are handled first, which normally means those where there is criminal activity or the fear of it , or where there is the actuality or fear of violence within the family. We also expedite cases where it is relatively easy to remove, because there is a wider saving to the taxpayer in that. However, I should emphasise that in this case the lady was not targeted, as the impression may have been given.

One advantage of the points-based system for temporary work and study is the ability to hold the sponsor to account as well as the visa holder; in this case that was an employer, while in tier 4 cases it would be a college or institution. That system is proving to be successful in managing migration, although at the fringes there are, of course, relatively petty and unintended breaches of the rules. I can only take the right hon. Lady's word for it that in this case there was an unknown or unintended breach—it was to do with the hours and not the fact that there were two employers—but that takes us into a difficult area for public policy management where rules are involved. We are dealing with significant numbers of people in the work permit system, and there are bound to be such cases at the edges.

Miss Widdecombe: Does the Minister not agree that where there is a small and possibly unintended breach, a proportionate response is simply to let the person know of the breach, to require them to desist from it and to warn them that any future such breach will result in removal, rather than to move in a heavy-handed fashion to remove them in the first place?

Mr. Woolas: The right hon. Lady asks a difficult question of the enforcement officers and I would defend the enforcement officers, who use proportionate action. I remind the House that this lady was not removed, even though it was within the power of the officers to remove her. Of course, the work permit would have been invalid by now in any event. What pains me—and not just in this case—is the use of the legal system when a conversation and good advice might better solve the problem for all concerned.

I am just about out of time, but I was saying that the sponsorship system allows such enforcement. Of course, we are dealing with an area where rules are extremely complicated by their very nature. As they bed in, we will increasingly see the benefits of the system.

I thank the right hon. Lady for the courtesy that she has shown. I hope that this is not my last speech in the House of Commons—although the good people of Oldham, East and Saddleworth will decide that—but, whatever the outcome of the election, it has been a pleasure to work with her.

Question put and agreed to.

11.29 pm

House adjourned.

House of Commons

Wednesday 7 April 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

BOURNEMOUTH BOROUGH COUNCIL BILL [*LORDS*]
Lords amendments considered and agreed to.

MANCHESTER CITY COUNCIL BILL [*LORDS*]
Lords amendments considered and agreed to.

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Highlands and Islands Economy

1. **Mr. Charles Kennedy** (Ross, Skye and Lochaber) (LD): What assessment he has made of the prospects for the economy of the highlands and islands in the next two years; and if he will make a statement. [325086]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): Good morning, Mr. Speaker.

Real help provided by the UK Government since the start of the recession will ensure economic recovery is locked in and will allow the highlands and islands economy to prosper.

Mr. Kennedy: Would the Minister agree that it is highly ironic that at a time when the Government—with everyone's support—are seeking through their commitment to offshore wind development, for example, to encourage major inward investment in manufacturing in the highland economy from firms such as KBR at Nigg, Her Majesty's Revenue and Customs' approach to small and medium-sized businesses is driving the likes of Highland Airways, Gaeltec on Skye and others to the wall with the result that the savings accruing to the public purse are more than wiped out by the additional costs of unemployment and all the other benefits that will have to be paid?

Ann McKechin: The right hon. Gentleman is wrong to say that the Inland Revenue has not been helpful to Scottish businesses given that its own business payment support service has helped more than 18,000 firms in Scotland, with deferred payments of tax totalling more than £300 million. That, I think, is one of the "real help" ways in which we have assisted small businesses. The package announced in this year's Budget will give £2.5 billion to small businesses and includes a doubling of their investment allowances. We have a good track record in helping businesses and especially in helping growth in new jobs from which the highlands and islands, in particular, will benefit.

Mr. Adam Ingram (East Kilbride, Strathaven and Lesmahagow) (Lab): When I was a Northern Ireland Minister, I organised an 11-city tour of the United States to try to bring jobs and inward investment to Northern Ireland. Nationalists were involved in those visits, but they did not try to sell the message of trying to take Northern Ireland out of the United Kingdom. Might I suggest to my hon. Friend that she should draw that to the attention of those separatist Scottish National party Ministers from the Scottish Parliament, who are peddling separatism in the United States rather than trying to bring jobs to Scotland?

Ann McKechin: Yet again, my right hon. Friend gets to the heart of the matter. Tartan week should be a showcase for increasing our exports to the USA and increasing tourism. Instead, the SNP has characterised it by its own obsession with independence and its gripes, rather than promoting Scotland.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): The highlands and islands economy has indeed been damaged by Labour's many fuel tax hikes. The increased tax on cider has been scrapped; can we have the same again for fuel in the Hebrides, please? HMRC's actions have pushed Highland Airways to the wall. As a result, people in Lewis and Harris are now having to wait until late afternoon before they get their newspapers. What will the Labour Government do to make amends for their actions?

Ann McKechin: The hon. Gentleman should look at the facts of the case. Sadly, Highland Airways had substantial trading difficulties and many more debts beyond that owing to HMRC. Unfortunately, a takeover was not possible at the last moment and the company went into liquidation, but I understand that the services to the Western Isles are being maintained by Loganair and other services are also being taken account of. We are working hard to help the employees of Highland Airways find new work under the PACE—partnership action for continuing employment—scheme. That is the best and most practical way in which we can help companies and businesses suffering from the recession.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): The Minister's answer to my right hon. Friend the Member for Ross, Skye and Lochaber (Mr. Kennedy) shows just how out of touch she and her ministerial colleagues have become. In the last two years, a quarter of corporate insolvencies in Scotland have been enforced by HMRC. Literally thousands of Scots have lost their jobs because the Chancellor of the Exchequer has been unable to translate his good intentions on managing HMRC into hard, effective action. Does not that embarrass the Minister even slightly?

Ann McKechin: The hon. Gentleman should remember that output in the highlands and islands has risen by 75 per cent. since the Labour Government were elected in 1997, and there are 220,000 more jobs in Scotland since we were elected in 1997. Through our real help to businesses, including the business support scheme, which I again point out has benefited more than 18,000 small businesses in Scotland, we have helped to keep people on the road and to get Scotland into recovery.

Mr. Carmichael: The Minister compares the number of jobs now with the number in 1997, but she seems to ignore the fact that, last year alone, 65,000 Scots lost their jobs as a result of this Government's policies. The Government now turn around and offer us empty promises of 100,000 new jobs. They have always taken Scotland for granted; now they are just taking the mickey.

Ann McKechin: It is interesting to note that the unemployment rates in the hon. Gentleman's constituency are among the lowest in the United Kingdom. That is because of Labour policies, which are creating jobs and supporting people through the recession. The future jobs fund has benefited more than 10,500 people in Scotland by helping them and keeping them close to the job market. It is because of the UK's policies, taking the tough decisions that the Liberal Democrats would care to ignore, that we have got through this recession much quicker than they would have.

Devolution

2. **Miss Anne McIntosh** (Vale of York) (Con): When he last met the Advocate-General to discuss devolution issues. [325087]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): Both the Secretary of State and I have regular discussions with the Advocate-General on a variety of issues.

Miss McIntosh: I am most grateful for that very full reply. How does the hon. Lady envisage the situation being resolved if there is a difference in the way in which the Flood and Water Management Bill, for example, once it is adopted, is interpreted in Scotland as opposed to its interpretation in England?

Ann McKechin: The hon. Lady might be aware that there was recently a case in the Supreme Court regarding the competency of the legislation of the Scottish Parliament. I think that would provide valuable guidance. At the end of the day, when we have difficulties in terms of our relationship with the Scottish Government, we have very detailed procedures with joint ministerial committees in which we can work together to find solutions to problems rather than necessarily considering court action. The fact that the Advocate-General has not needed to take one single case to the Supreme Court since devolution is a symbol of its success.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): During her discussions with the Advocate-General, will the Minister raise the devolved issue of transport? Will she also issue guidelines for visitors coming to either Edinburgh or Aberdeen to make it clear that safety is important, particularly when people are travelling in open-decked buses?

Ann McKechin: My hon. Friend might be referring to the shadow Secretary of State's unfortunate experience yesterday when his campaign got derailed on day one by inanimate objects. However, I certainly take my hon. Friend's points on board.

Mr. Ben Wallace (Lancaster and Wyre) (Con): One of the Advocate-General's roles is to ensure that the relationship between the Scotland Office and the Scottish Executive works within the devolution settlement. It is clear that when it came to the release of al-Megrahi, the Lockerbie bomber, both the victims and the Scottish Executive were the last to be consulted. What steps has the Minister put in place to ensure that that does not happen again? Will she take this final opportunity to condemn the early release of that bomber, who is alive and well seven months later?

Ann McKechin: The Calman commission recommended a number of ways in which we could improve intergovernmental relationships, and we are very keen to take them forward. It is regrettable that the Scottish Government have declined to accept those recommendations, which have been supported by the majority in the Scottish Parliament. I note the hon. Gentleman's concerns, which I share, regarding the release of Mr. al-Megrahi, but at the end of the day that was a decision solely for the Scottish Government.

Disabled Children (Benefits)

3. **Mr. Tom Clarke** (Coatbridge, Chryston and Bellshill) (Lab): When he last discussed with the Secretary of State for Work and Pensions the benefits provided for disabled children and their families in Scotland. [325088]

The Secretary of State for Scotland (Mr. Jim Murphy): Good morning, Mr. Speaker.

The Government are totally committed to supporting disabled children and their families. I discuss these matters and welfare reform with the Secretary of State for Work and Pensions.

Mr. Clarke: Does my right hon. Friend recall that one of the most shameful episodes in the history of social services in Scotland was when the Scottish Government accepted £34 million that was allocated for disabled children and their families and used it to give to local councils to keep council tax steady? Will he continue to consult with colleagues so that never again can we have such a distortion of the Barnett formula, and never again can we trust those who claim to speak for Scotland and attack the most vulnerable?

Mr. Speaker: Order. I am grateful to the right hon. Gentleman.

Mr. Murphy: Scottish National party Members are shouting at my right hon. Friend, but over many years he has established an impeccable record among others across the House through his campaigning for families with disabled children. His criticism is therefore all the more valid. It is a matter of cross-party consensus that we should all try and do as much as we can to support families with disabled children. It is pretty shameful that the £34 million that was meant to go towards supporting the NHS in helping disabled children in Scotland went into a big black hole created by the SNP.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The Secretary of State will realise that this has been an excessively cold winter in Scotland, and that one of the challenges for people with disabilities is their need for extra heating in their homes. In his discussions with the Secretary of State for Work and Pensions, has

he therefore pressed the case for extending the winter fuel payment to people with disability and on disability benefits?

Mr. Murphy: We continue to keep all these things under review. Last year we made some important changes to winter fuel payments for pensioners across Scotland, almost trebling the amounts involved, and we have announced further changes in support of families with disabled children. The Government have announced that people with severe visual impairment will become entitled to the higher-rate mobility component of disability living allowance from April next year. That is after a campaign supported by Members of Parliament of all parties and the Royal National Institute of Blind People. We continue to look for other ways to support families with disabled children.

Calman Commission

4. **Mark Lazarowicz** (Edinburgh, North and Leith) (Lab/Co-op): What recent progress he has made in implementing the recommendations of the Calman commission. [325089]

The Secretary of State for Scotland (Mr. Jim Murphy): We remain committed to taking forward the proposals outlined in our White Paper on Calman. We will bring forward a Bill early in the next Session of Parliament to implement these recommendations.

Mark Lazarowicz: The Calman commission proposals to make the Scottish Parliament more responsible for its financial decision making offer the possibilities of improving democratic accountability in Scotland and also strengthening the Union. Will my right hon. Friend commit himself to introducing the proposals on financial accountability as part of that package?

Mr. Murphy: The Scottish Parliament is one of the great democratic innovations and constitutional changes of recent decades, but the Government and the Calman commission believe that there is an in-built weakness in its architecture, in that it is responsible for spending money but not for raising enough of it. The envisaged radical reforms will give it much more power, and in future the ultimate decision about how much money the Scottish Parliament and Government will spend will be for the Scottish Parliament, which will have to make an annual decision on tax rates in Scotland. That is a fair, sustainable and radical approach, and it is an important part of having a stronger Scotland inside a proud United Kingdom.

Mrs. Eleanor Laing (Epping Forest) (Con): Although some form of constitutional reform is certainly necessary, does the Secretary of State agree that the best future for all the people of Scotland is to ensure that the country is not an isolated, small entity but part of a strong and prosperous United Kingdom?

Mr. Murphy: I do not agree with the hon. Lady on all matters, of course, but she is right on this one. All of us who love Scotland and are patriotic about our country know that it is a fantastic place to live and bring up a family, and that it has a phenomenal history. However, it is part of our future and destiny to ensure that a proud Scotland remains an equal part of the United Kingdom. That is not just my view, but the view of the majority of people all across Scotland.

Pete Wishart (Perth and North Perthshire) (SNP): The Secretary of State is absolutely right that there is a commonality of purpose between Labour and Conservatives—they both want to bring cuts to Scotland. We were promised action on the Calman proposals back in the Queen's Speech in November, but since then we have heard nothing, zilch, not a peep. Is it not the case that the Government have no intention of bringing forward his proposals, and that they would prefer to introduce cuts rather than Calman to Scotland?

Mr. Murphy: The hon. Gentleman makes his point with his characteristically good manners and great sense of humour. This is the latest attempt on this matter by a political party, the SNP, that no one in Scotland takes seriously. It is using desperate tactics, but the only thing that Scotland would get by voting SNP in the general election would be a Tory Government. That is because the SNP brought Mrs. Thatcher to power and is desperate to remove this Labour Government as well. The moment that the party decided to prop up a Tory Government was the moment that it surrendered the right to speak for Scotland.

Future Jobs Fund

5. **Miss Anne Begg** (Aberdeen, South) (Lab): How much future jobs fund money has been spent in (a) Scotland and (b) Aberdeen. [325090]

The Secretary of State for Scotland (Mr. Jim Murphy): The future jobs fund is making a significant impact in Scotland, and more than 10,500 jobs have been funded, including in Aberdeen.

Miss Begg: Does my right hon. Friend agree that this investment in jobs and the announcement today that Labour will introduce another 100,000 skilled jobs in Scotland will be the thing that makes a difference to my constituents in Aberdeen? It will make sure that Aberdeen moves from being the oil and gas capital of Europe to being the energy capital of Europe. Some of those new jobs will be green jobs, but they will be skilled jobs.

Mr. Murphy: My hon. Friend is right. Over recent decades, Aberdeen has been a remarkable European and global centre for the oil and gas industry, but although oil and gas have still some years to run they will not last for ever, so this is an enormous opportunity for Aberdeen, and the north-east of Scotland in particular, to have a permanent centre of European excellence in renewable energy that can bring tens of thousands of jobs to Scotland, especially in my hon. Friend's Aberdeen constituency and the north-east of the country.

Total Block Grant

6. **Lindsay Roy** (Glenrothes) (Lab): What discussions he has had with the Chancellor of the Exchequer on the adequacy of the total block grant to the Scottish Executive for 2010-11. [325091]

The Secretary of State for Scotland (Mr. Jim Murphy): I have regular discussions with the Chancellor on a range of issues. The allocated Scottish Government budget for 2010-11 is the highest ever—more than double that available to Donald Dewar in the first year of devolution.

Lindsay Roy: I thank the Secretary of State for the clarity of his response. Can he confirm that the UK Government are still offering a package of financial support to the Scottish Government in relation to the Forth crossing?

Mr. Murphy: Throughout my time as Secretary of State, I have tried to take a reasonable approach to the big issues facing Scotland. Of course, that has often not been responded to by the Scottish National party, but in an attempt to be reasonable, and trying to set aside party political divisions on those big issues, the UK Government offered an unparalleled and unprecedented flexibility package to help the Scottish Government build a Forth road bridge. Unfortunately, they rebuffed it; they are stuck in an old ideology, which means that, as we speak, the bridge is no closer.

Stewart Hosie (Dundee, East) (SNP): The Scottish Secretary has done nothing to stop the real-terms cuts to the Scottish budget this year, part of a package of cuts that will be deeper and tougher than Margaret Thatcher's. Is he proud of his Thatcherite legacy and what will he say to the thousands of Scottish public sector workers who will lose their jobs as a result of British Labour party cuts?

Mr. Murphy: I thought the hon. Gentleman was getting up to thank the Labour Government for the tax credits on innovation in the games industry in Dundee, but he is silent. He cannot bring himself to support his constituents and his city.

I am proud of what we have achieved over the past 12 years, and I thank the people of Scotland, because together we have made Scotland a fairer, more confident place. The last thing we need is a vote for the SNP, to bring in the Tory party by the back door.

Economic Inactivity

7. **Mr. Brian H. Donohoe** (Central Ayrshire) (Lab): What recent discussions he has had with the Secretary of State for Work and Pensions on the level of economic inactivity in Scotland. [325092]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin) *rose—[Interruption.]*

Mr. Speaker: Order. Before the Minister replies, there are far too many private conversations—some of them indulged in by very senior Members of the House, who I am sure know better. It is not fair to Members and it is not fair to the people of Scotland.

Ann McKechin: Thank you, Mr. Speaker.

The Secretary of State for Scotland has regular discussions with the Secretary of State for Work and Pensions about the level of economic inactivity in Scotland.

Mr. Donohoe: I thank the Minister for that answer. Does she agree with me? In Scotland, Labour is working!

Ann McKechin: My hon. Friend, as always, is short, succinct and to the point. He is absolutely accurate. We are determined not to repeat the errors of the 1980s and 1990s recession. That is why we are helping young people in particular to get back into work. That is why we are growing jobs with our green investment bank. That is why we are helping new industries and renewable industries in the video games industry and in the life sciences. It is by having a managed industrial policy that we will grow our way into recovery.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): The Minister will know that 665,000 working-age people in Scotland are economically inactive. In the past three months, that figure has risen by 21,000. In the past year, Labour has wiped £4.8 billion off the value of the Scottish economy. Since 1997, Scotland's share of the national debt has more than doubled, and almost 150,000 manufacturing jobs have been lost. Those are facts; there is little that the Minister and the Secretary of State can do about them now, but will she take this last opportunity at the Dispatch Box to apologise to the people of Scotland?

Ann McKechin: Well, I will tell the hon. Gentleman what we certainly will not do. We will not halt recovery in its tracks by cutting public investment now and squeezing off our recovery. He can be sure that the Labour Government are determined to ensure that the recovery works.

David Mundell: Like most people, but unlike Labour Members, I am interested in talking about the present—2010. Labour's last manifesto said:

"2010: Full employment in every region and nation".

The number of people who have been on the dole in Scotland for more than one year has in fact gone up by 122 per cent. in the past 12 months, yet the Minister and the Secretary of State still want to introduce a tax on jobs that will kill recovery. If she thinks that that is a good idea, is it not she and the Secretary of State who have been misled, not leading Scottish business figures?

Ann McKechin: The hon. Gentleman forgets that since 1997 there are 220,000 more Scots in employment, courtesy of a Labour Government. We are determined to continue the recovery, which is why the national insurance increase will not occur until next year, at which point all predictions show that we will have a strong and sustainable recovery. Under this Government, when we have increased national insurance, jobs have continued to rise.

Employment

8. **Mr. Ian Davidson** (Glasgow, South-West) (Lab/Co-op): What recent discussions he has had with ministerial colleagues on levels of employment in Scotland. [325093]

The Secretary of State for Scotland (Mr. Jim Murphy): I have regular discussions with the Secretary of State for Work and Pensions about employment in Scotland. Despite the severity of the recent recession, there are almost 250,000 more Scots working today than there were in 1997.

Mr. Davidson: Has the Secretary of State been discussing the shipbuilding industry with his ministerial colleagues? In particular, has he been discussing the fact that Scotland faces the choice of the Type 45 with Labour or the P45 with the separatists? Has he been discussing the fact that the aircraft carriers are threatened by the Tories and would be sunk by the separatists, but are safe with Labour?

Mr. Murphy: My hon. Friend is absolutely right. He and others are fantastic champions of shipbuilding in Scotland. He makes a very clear point. The Scottish Conservatives are in favour of industry-destroying cuts, creating elitism and sinking shipyards—we have an unchanged Scottish Conservative party. The last thing that Scotland wants to do is to go back to the old divisions of the 1980s under the Tory party. *[Interruption.]*

Mr. Speaker: Order. We must have some quiet. I am sure that the House will want to hear Sir Nicholas Winterton.

Sir Nicholas Winterton (Macclesfield) (Con): Speaking in this House as a Conservative and Unionist, may I ask whether the Secretary of State agrees that Scotland's part of the Union has been very beneficial to Scotland, not least in respect of employment?

Mr. Murphy: I am glad that the hon. Gentleman endorses some of what we have been doing over the past decade. Compared with 12 years ago, there are almost 250,000 more people in work in Scotland today, despite the recession. Most people in Scotland are passionate patriots and most Scots are not nationalists. That is why the longer the SNP is in power in Edinburgh, the smaller the support for breaking up Britain becomes.

Immigration Removal Centres (Contraband)

9. **Mr. Andrew Pelling** (Croydon, Central) (Ind): What recent discussions he has had with the Secretary of State for the Home Department on levels of contraband in immigration removal centres in Scotland. [325094]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): The Secretary of State has had no recent meetings to discuss levels of contraband in the immigration removal centre in Scotland.

Mr. Pelling: Given that contraband is being sent into Her Majesty's prison in Edinburgh by the use of crossbows, what is the danger of that happening in the immigration centre? Why do Scottish people use crossbows rather than English longbows?

Ann McKechin: The management of prisons in Scotland is, of course, a matter for the Scottish Government's Ministry of Justice. We have policies and procedures in place to prevent contraband from coming into removal centres, but we would not comment on the details because that might compromise the safety of the centre.

Economy

10. **John Barrett** (Edinburgh, West) (LD): What his most recent assessment is of the state of the economy in Scotland; and if he will make a statement. [325096]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): Official data showing Scotland's gross domestic product for the end of last year have not yet been published by the Scottish Government, but most indications suggest that Scotland emerged from recession in the fourth quarter of 2009, although the recovery is fragile. The Government are committed to doing all that is necessary to help to drive recovery in the Scottish economy.

John Barrett: The Minister and the Secretary of State will be aware that, in the past two years, 466 Scottish companies have been shut down by Her Majesty's Revenue and Customs for not paying their bills on time. Currently, many solvent companies in Scotland are being pushed towards liquidation because of HMRC's actions. Will they have a word with the Chancellor of the Exchequer to get him to take the heat off those solvent companies, so that they can continue to trade and pay their bills?

Ann McKechin: As I said earlier, the Inland Revenue already has a business support package, which we introduced last year, to defer tax payments. More than 18,000 Scottish businesses have benefited and more than £300 million of tax has already been deferred. It is, however, important that HMRC is operationally independent, and its job is to protect the interests of the UK taxpayer.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [325639] **Sandra Osborne** (Ayr, Carrick and Cumnock) (Lab): If he will list his official engagements for Wednesday 7 April.

The Prime Minister (Mr. Gordon Brown): I am sure the whole House will join me in paying tribute to the two British servicemen who have lost their lives in Afghanistan in the past week: from 1st Battalion Coldstream Guards, Guardsman Michael Sweeney, and from 3rd Battalion The Rifles, Rifleman Mark Turner. We owe them an immeasurable debt of gratitude. Both were engaged to be married, and our thoughts are with their loved ones and their families.

It is because of all our brave men and women in our armed forces that our families, our communities and our country are safer and more secure. At this time, it is right to remember all who have given their lives in Iraq and Afghanistan and all those who serve in our armed forces. I spoke to President Karzai and then President Obama yesterday. Our security forces in Sangin will be increased by about 500 from the Afghan security forces, providing greater security for the people of the region and support to our troops.

We are also sadly reminded today of the sacrifice made by members of our emergency services. We send our condolences to the family and friends of the two brave firemen who died in Southampton last night. We pay tribute to the bravery and commitment demonstrated by all our emergency and public services.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Sandra Osborne: May I add my condolences to all those who have lost their lives in the service of their country?

If he is re-elected, will the Prime Minister guarantee that he will not take £6 billion out of the economy?

The Prime Minister: The big issue is whether we can secure and assure the economic recovery. To withdraw £6 billion from the recovery now would put jobs at risk, put businesses at risk and put our growth at risk. We cannot cut our way to recovery—but we could cut our way to double-dip recession. In 2011 we will use the rise in national insurance to guarantee that we fund our policing and our schooling, and to make sure that the health services guarantees of cancer care and of being able to see a GP at weekends and in the evenings are kept. Those guarantees will be kept, because of the decisions that we make.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in paying tribute to Guardsman Michael Sweeney and Rifleman Mark Turner, who have been killed in Afghanistan in the past week. Two hundred and eighty British servicemen and women and Ministry of Defence civilians have now lost their lives while serving in Afghanistan. As we prepare for the end of this Parliament, we should remember the sacrifice that they and their families have made and acknowledge the huge debt that we all owe to our armed forces for the bravery that they show, day after day.

I also join the Prime Minister in paying tribute to James Shears and Alan Bannon, the two firefighters killed while tackling a fire in Southampton last night.

As this is the last Prime Minister's questions of this Parliament, it is the last chance for this Prime Minister to show that he is accountable for the decisions that he has made. Will he start by admitting that when British forces were sent into Helmand, they did not have sufficient helicopters to protect themselves and get the job done?

The Prime Minister: I do not accept that in any operation to which we sent our troops our commanding officers gave wrong advice; they told us that they were properly equipped. Every time, in every operation, we ask our commanding officers, "Are we able to do this operation?" and our commanding officers have said yes, they can. So I have to say to the right hon. Gentleman that we have done our best to equip our troops, and we will continue to do so. It is right that I take full responsibility, but I take the advice of our commanding officers, and the advice of our commanding officers is very clear.

Mr. Cameron: That answer sums up this premiership. The Prime Minister takes no responsibility and always blames somebody else. Why can he not just admit something that everybody knows to be true—that there were not enough helicopters? Let us listen to Colonel Stuart Tootal, former commander of 3 Para. He said:

"repeated demands for more helicopters fell on deaf ears. It increased risk for my paratroopers, but",

as he put it,

"the decision-makers"—

yes, the Ministers—

"were not the ones driving into combat when we should have been flying in."

The Foreign Office Minister that the Prime Minister appointed, Lord Malloch-Brown, said as late as last year:

"We definitely don't have enough helicopters."

Presumably, the Prime Minister is going to tell us that all those people were just deceived.

The Prime Minister: We have increased the number of helicopters in Afghanistan. We have increased the flying time by more than 100 per cent. I think that the right hon. Gentleman should recognise that the Merlins were adapted, and are now in Afghanistan. He should also recognise that the Chinooks were also adapted, so that they, too, can be in Afghanistan. He should recognise that we have other helicopters in Afghanistan that are working, and we are part of an international operation in Afghanistan, where we share equipment with our coalition partners. I have to say to him that the amount of money spent in Afghanistan now is £5 billion a year; that is 1,000 extra vehicles, and twice the number of flying time hours for our helicopters. I think that he should accept that our troops, for the operations that they are asked to undertake, have been given the equipment that they need. That is the right position.

Mr. Cameron: Again, no answer. *[Interruption.]*

Mr. Speaker: Order. Government Back Benchers must calm down.

Mr. Cameron: Why should anyone believe this Prime Minister, when he was the first in history to go in front of a public inquiry and not give accurate information about defence spending? Let me ask about another decision for which this Prime Minister ought to be accountable. In the last 13 years, he has robbed pension funds of £100 billion. His own welfare Minister said:

"when Labour came to power we had one of the strongest pension provisions in Europe and now probably we have some of the weakest".

Presumably, he was deceived as well. Will the Prime Minister finally admit that robbing the pension funds was the wrong decision for Britain?

The Prime Minister: The right hon. Gentleman said that there was no answer to the last question, but it is he who has never given an answer on any single policy. As far as pension funds are concerned, we debated the matter in this House two years ago, and the shadow Chancellor put the case that the dividend tax credit had affected the ability of pension funds to have money. I showed at that time that during the period before the stock market crash, what had actually happened was that the resources of the pension funds had doubled. He lost his case when he put it to the House of Commons; it is no use trying to put it again.

What we have done over these last 12 years is give a pensioners' winter allowance, initially opposed by the Conservative party. What we are saying that we will do is link pensions to earnings—a link taken away by a Conservative Government. What we have done is give 2 million pensioners a pension tax credit, and have given them dignity in retirement—again, that was opposed by the Conservative Government. What we now have is a national concessionary fare scheme that gives pensioners the chance to travel the country; that would be at risk under a Conservative Government.

Mr. Cameron: That, Mr. Speaker, is the sort of deception that we will rebut in this election campaign every time that it comes up. The Prime Minister must be the only person in Britain who thinks that robbing pension funds was a good idea. His own adviser, who sat in No. 10 Downing street, said that this Prime Minister

"will go down in history as the one who destroyed our pensions system...He just ignores what he doesn't want to hear, then tries to cover up the consequences...people are finally starting to rumble Gordon Brown and it serves him right."

Presumably she was deceived as well.

Let us take another decision for which the Prime Minister needs to be held to account—*[Interruption.]*

Mr. Speaker: Order. Hon. and right hon. Members are shouting themselves hoarse before we have even got to the hustings. Members must calm down.

Mr. Cameron: They were shouting out about national insurance contributions, and this is a question about national insurance contributions.

The Prime Minister has made the decision to introduce a jobs tax which will kill the recovery. This morning on GMTV, he said that business leaders who oppose this decision have been deceived. Is the Prime Minister really telling us that he knows more about job creation than business leaders who employ almost a million people in this country?

The Prime Minister: Once again, I have to tell the right hon. Gentleman about what happened during this recession, and what we had to do to take this country out of recession. We had to nationalise Northern Rock, and the Conservatives opposed it. We had to restructure the banks, business supported us, but they opposed it. We had to take action to secure help for the unemployed. Businesses support the future jobs fund, they opposed it. We had to take action to help home owners. Business supported it, they opposed it. We had to take action to help small business itself, and they opposed the funds that were necessary.

On national insurance, there is a clear choice. We can put national insurance up and therefore protect our schools, our hospitals and our policing, or we can do what the Conservatives traditionally do, and put our hospitals, our police and our health service at risk.

Mr. Cameron: The choice is Labour's decision to go on wasting money and then put up tax on every job in the country. This is what business leaders said:

"cutting government waste won't endanger the recovery—but putting up national insurance will."

Let me ask the Prime Minister again. Does he believe that these business leaders, including members of his own advisory council, were deceived?

The Prime Minister: We cannot cut our way to recovery, and that is why to withdraw £6 billion from the economy now is the wrong thing to do. Let us be clear: the Conservative policies would put jobs at risk immediately, would put businesses at risk immediately, and would put growth at risk immediately.

As far as 2011 is concerned, we have to make a decision. Do we want to maintain the improvement in our policing, our public services and our health service guarantees, and maintain investment in the schools? We say that that will cost that extra money on national insurance; they say no. The public must make up their minds. Do they want the public services to be maintained, or do they want the traditional Tory policy of putting our public services at risk?

Mr. Cameron: This morning the Prime Minister said that these business leaders had been deceived. Since then another 30 business leaders have come again and said, "Ah, they're right, and the Government are wrong." Let me read the Prime Minister what they are saying. Paul Walsh, the head of Diageo, who is on the Prime Minister's business council—[Hon. Members: "A Tory!"] No, not a Tory, but one of the Prime Minister's advisers—although he is probably a Tory now; so are half the country. Let us hear what he had to say:

"It's not true to claim businesses have been deceived. National insurance is a tax on jobs".

Let us hear from John Egan, former head of BAA.

"How can there be a deception? National insurance is a tax on jobs, pure and simple."

Is not the truth this: that this Prime Minister would wreck the recovery by putting a tax on every job, on everyone earning over £20,000—a tax on aspiration, a tax on every business in the country? This Government would wreck the recovery.

The Prime Minister: It is the same old Conservative party—*[Interruption.]*

Mr. Speaker: Order. Members must calm themselves. There are several weeks to go. The Leader of the Opposition was heard, and the Prime Minister will now be heard.

The Prime Minister: Once again, the right hon. Gentleman said nothing about the future; it is the same old Tories. To think he was the future once!

We have the shortest ever waiting lists in the health service; 2.5 million more jobs since 1997; a Sure Start centre in every community in our country; more pupils than ever staying on at school; more students going to university; more pensioners out of poverty; and more dignity and security in retirement. We are the Government who have plans for the future. The Opposition have nothing to offer. Only a Labour Government can do it.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Is my right hon. Friend aware that at the weekend Sudan was described on the BBC as the "hungriest place on earth"? Given his outstanding record on international development, both as Chancellor and as Prime Minister, will he use his influence within the international community to ensure that the hapless people of Darfur and that region are recognised for the suffering that they now endure?

The Prime Minister: As long as there are children suffering, as long as there are mothers dying in childbirth unnecessarily, and as long as young people are not getting education in schools, we have a duty as a country to act. I am proud—and my right hon. Friend the International Development Secretary has done a great deal to push this forward—of the fact that we as a Government have doubled the expenditure in real terms on overseas aid from 0.26 per cent. of GDP, which we inherited from the previous Government, to 0.52 per cent. today. That doubling of our investment in overseas

aid is unparalleled in the past 20 years in any country, and I would hope that there would be an all-party consensus that spending on overseas aid can continue.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I, too, would like to add my expressions of sympathy and condolence to the family and friends of Rifleman Mark Turner from 3rd Battalion The Rifles, and Guardsman Michael Sweeney from 1st Battalion Coldstream Guards, who, having served so selflessly and bravely in Afghanistan, lost their lives there this week. We owe them, and everyone who has been killed or injured in Afghanistan, a huge debt of gratitude. I would also like to pay tribute to the bravery and sacrifice of James Shears and Alan Bannon, the two firefighters who lost their lives in Southampton last night.

Today, he and he—the Prime Minister and the Leader of the Opposition—are trying to fool people that they are serious about political reform, but last week we had yet more proof that that is not true. Here, in the minutes of the Hayden Phillips cross-party talks on party funding, in black and white, we see the Labour party protecting their trade union paymasters and the Conservatives protecting their paymaster in Belize. Who do they think that they are kidding? After they sabotaged that deal, why should anyone trust a single word that they have to say on political reform?

The Prime Minister: There is one person who prevented the Liberal and Labour proposal from being agreed by the Conservative party. The Conservatives withdrew from the talks, and the reason why is one name: Lord Ashcroft. That was the reason—*[Interruption.]*

Mr. Speaker: Order. The House must calm down. Members—*[Interruption.]* Order. Members should save their voices for the conversations that they will need to have with their constituents in the coming weeks.

Mr. Clegg *rose—[Interruption.]*

Mr. Speaker: Order. Mr. Nick Clegg must be heard.

Mr. Clegg: The Prime Minister's answer was ridiculous. The two parties are colluding to block reform. Just last night they colluded to block the most minimal reforms to our electoral system and the other place. Just as they came together to block our proposals to give people the right to sack corrupt MPs, they came together to block our proposals to clean up lobbying. We all remember, back in 1997, the hope and the promise of that new Government. Look at them now. You've failed. It's over. It's time to go.

The Prime Minister: That seemed like a speech in search of a question.

The right hon. Gentleman cannot deny the fact that when we discussed electoral funding and political reform, the Labour party and the Liberal party agreed on the means to reform the political funding system. There was an agreement between our two parties. The Conservative party pulled out of the agreement, and it pulled out on the recommendation of one person: the person who funds the Conservative party, the person who has given £10 million to the Conservative party, the person who has been offshore for many years—Lord Aschroft.

Q2. [325640] **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): Plymouth has had some of the most significant new health investment under Labour—the first new dental hospital for 50 years and the first new medical hospital for 25 years. What plans does the Prime Minister have to protect the progress that has been made and the way in which waiting lists have plummeted?

The Prime Minister: We have given every patient a guarantee that they will receive treatment within 18 weeks of seeing their doctor. That is a guarantee that we give personally to every patient, and in the next Parliament they can enforce it and go private, or go to another health authority if it is not met. The Opposition party refuses to back that guarantee.

We have given a guarantee to cancer patients that they will see a specialist within two weeks, and in the next Parliament they will be able to have their diagnostic test within one week. That is a guarantee that we have given; the Conservative party will not support that guarantee, even to cancer patients. We have given a guarantee that general practitioners must see people in the weekends or in the evenings as well as during ordinary working hours, and that is a guarantee that we are giving but the Conservative party refuses to support. People will make up their minds in whose hands the health service is safe—and it is in the Labour party's hands.

Q3. [325641] **Stephen Hammond** (Wimbledon) (Con): The Prime Minister opened his election campaign yesterday by promising to campaign among real people, but he spent the whole day visiting the homes of staunch Labour supporters. Does he intend to spend the whole campaign visiting and moving from safe house to safe house?

The Prime Minister: By the time I met them they were all staunch Labour supporters, as a result of the message that we put to them. Yesterday I visited a number of places in Kent and asked people what the major issue affecting them was, and they said that they wanted to secure the recovery. I had to tell people that the Conservative party taking £6 billion out of the economy would put the recovery at risk. The issue is very clear: jobs with Labour, unemployment under the Conservatives.

Martin Linton (Battersea) (Lab): Will my right hon. Friend heed the warning of the former Bank of England panel member David Blanchflower that if he followed the advice of the right hon. Member for Witney (Mr. Cameron) and the hon. Member for Tatton (Mr. Osborne) and took precipitate action to cut the deficit, it would lead not only to unemployment but to rising poverty, social disorder and soup kitchens?

The Prime Minister: This is the central issue of this year: will we secure the recovery? The Conservative party says, "Take £6 billion out of the economy and it doesn't matter". In fact, if we take £6 billion out of the economy now there will be more unemployment, more businesses will go under and there will be less growth. I believe that when we look at what people are saying and doing in every other country, we find that they are saying, "We've got to secure the recovery before we take

any further action." Only the Conservative party is saying, "Take money out of the economy now". It has made a historic mistake.

Q4. [325642] **Mr. Bernard Jenkin** (North Essex) (Con): Will the Prime Minister confirm the whole truth about helicopters, as confirmed by parliamentary answers from the Ministry of Defence? That is that he has already cut helicopter numbers from 522 to below 500 over the past 18 months—and under his plans, by 2020 there will be only 303 helicopters in Her Majesty's armed forces, a cut of 42 per cent.

The Prime Minister: I am sorry that the hon. Gentleman takes this view, because we have ordered more helicopters for the future, reconditioned the Merlins to be in Afghanistan, repaired the Chinooks in such a way that they can now be used in Afghanistan, and increased the number of helicopter hours being flown by our troops. That is the answer to those who say that not enough is being done: more helicopters and more helicopter hours in Afghanistan now.

Mr. Denis MacShane (Rotherham) (Lab): Has my right hon. Friend had a chance to read the current issue of *The Economist* and yesterday's *Financial Times*, both of which, speaking for the City and business, say that if there is a change of Government, Britain will find itself dangerously isolated in Europe? Does he agree that we must work with Chancellor Merkel and other leaders, and not get into bed and breakfast with extremist politicians whose views of homosexuals, the holocaust and the Waffen SS are unacceptable in our democracy?

The Prime Minister: If the Conservative party had really changed, it would have changed its position on Europe—but it is the same old Conservative party, moving further and further to the extreme of Europe. It cannot form an alliance with Chancellor Merkel, President Sarkozy or the centre-right Christian Democrat parties in Europe, so it has to go into alliances with the most extreme elements of Europe. The latest thing that it did was vote against the transfer of information to deal with the problem of tax havens—exactly the sort of policy that Lord Ashcroft would want it to support.

Q5. [325643] **Mr. Greg Hands** (Hammersmith and Fulham) (Con): What did the Chancellor mean when he said that the job losses resulting from the national insurance hike would be manageable? How many is manageable?

The Prime Minister: I'll tell the Conservative party about jobs. Jobs mean helping young people to get into work, including the 200,000 jobs created by the future jobs fund now and over the next few months; jobs means helping young people to stay in work and with getting work experience and education, including the summer school leavers guarantee that we are giving; and jobs means helping small businesses through this difficult time, with the time to pay, the reduction of business rates and the help that we are giving them now. Take £6 billion out of the economy now, and we would put the recovery at risk. Take £6 billion out of the economy, and thousands of jobs would go.

Mr. Ian Cawsey (Brigg and Goole) (Lab): The Prime Minister is aware of the effect of the retrospective introduction of business rates on companies operating in various ports around the country, including Goole in my constituency. Five years after the planned implementation, the Valuation Office Agency has still to agree assessments with many companies. One of those, Scotline, went out of business after being summonsed for a rates bill of £700,000, which was reduced to £114,000 on appeal. Will my right hon. Friend meet the Chancellor, and the Department for Communities and Local Government, and get a fair and equitable solution to keep jobs in our ports safe?

The Prime Minister: I am grateful to my hon. Friend; he has always been a persistent advocate of the ports and the jobs they create. I am very happy to meet him to talk about this issue and what we have done—the equal interest-free payments paid in instalments over an unprecedented eight years. I am happy to talk to him about what more we can do to help.

Q6. [325644] **Michael Fabricant** (Lichfield) (Con): As my right hon. Friend the Leader of the Opposition has already said, Paul Walsh, the chief executive of Diageo and a member of the Prime Minister's own management and business advisory committee, has said:

"I don't feel at all deceived. This isn't about politics. It's my firm view that the proposed National Insurance increase is a tax on jobs".

Why does the Prime Minister think he has got it wrong?

The Prime Minister: I have said that the country has to make a choice. The Conservative party has made its choice, but I say to the country that if we want to maintain and improve our schools and policing, including the record numbers of police and neighbourhood policing in this country, and if we want to ensure the cancer guarantee, the GP guarantee and the other guarantees in our national health service, that has to be paid for. I believe that the country will make the choice in favour of maintaining and improving our public services, and I think that, once again, the Conservative party is exposed as the party that opposed public service improvements in our country.

Mr. Robert N. Wareing (Liverpool, West Derby) (Lab): Over the years there has been a continual drift away from direct taxes to indirect taxes, which, as the Prime Minister knows, bear most heavily on those who can least afford them. Does he agree that it is becoming time that we went back to the traditional Labour party policy on taxation, which is to redistribute wealth in favour of poorer people? I would like him to say in this general election that he will see direct taxation imposed on the billionaire rich, who should be carrying the real burden of taxation in this country.

The Prime Minister: I agree with my hon. Friend on one point, and that is the importance of tax credits, which have helped lower and middle-income people get out of poverty and secure their livelihood. *[Interruption.]* The Conservatives are not interested in tax credits. Six million families in this country receive tax credits. Twenty million children, mothers and fathers benefit from tax credits. One of the cuts that the Conservatives propose for this year is to cut child tax credits for middle-income families, which would do more to push people into lower-income groups than anything else. They should change their policy and help middle-income families in this country.

Q7. [325645] **Damian Green** (Ashford) (Con): The Prime Minister once notoriously promised "British jobs for British workers". Can he confirm that the latest official figures, produced this morning, show that the number of UK-born private sector workers is several hundred thousand lower today than it was in 1997?

The Prime Minister: Net migration to this country has been falling as a result of actions that we have been taking, and it has fallen in the last three years. It is falling because there are more people here locally getting the jobs that are available. The Conservatives should think twice about their policy on quotas for migration, because the very businesses that they are quoting want to be able to bring people into this country to do the jobs that are necessary. We propose the Australian points system on migration. The Conservatives' policy of a quota for immigration, without giving a number, would do great damage to British business.

Q8. [325646] **Dr. Doug Naysmith** (Bristol, North-West) (Lab/Co-op): As I know my right hon. Friend is aware, the past 10 years have seen an unprecedented increase in support for science and technology in this country, but will he agree that now is not the time to cut investment in science, research and education? For it is in these areas that we will ensure our future economic success and economic growth.

The Prime Minister: Record investment in education, record investment in universities, record investment in science in our country, record investment in new innovation in our country: that is the record of our Labour Government, and I am proud to tell people that we are the party that supports industry in this country.

Q9. [325647] **John Mason** (Glasgow, East) (SNP): Given the allegations surrounding Glasgow city council and the demands for an inquiry—I believe that the idea of an inquiry is supported by former leader Steven Purcell and Labour businessman Willie Haughey—will the Prime Minister support such an investigation, or is he afraid that there is something to hide?

The Prime Minister: The hon. Gentleman came down to this Parliament and he spent most of his time voting with the Conservative party. He should go back to Scotland and explain why, instead of voting for jobs, he is voting with the Conservative party in Parliament.

Hon. Members: Bye-bye!

Mr. Speaker: Order. I should be grateful if Members who are leaving the Chamber would do so quickly and quietly, as we have a ten-minute rule motion to hear.

Nuclear Fuel Cycle (Non-Proliferation and Public Liability)

Motion for leave to bring in a Bill (Standing Order No. 23)

12.33 pm

Mr. Jamie Reed (Copeland) (Lab): I beg to move,

That leave be given to bring in a Bill to require the Secretary of State to make arrangements to reprocess spent nuclear fuel stored in the United Kingdom in order to meet non-proliferation objectives and to offset the decommissioning costs of major reprocessing facilities; and for connected purposes.

The Bill would promote the utilisation of the full nuclear fuel cycle and the facilities that underpin it in Britain, so that the costs to the taxpayer of nuclear decommissioning may be reduced, and the successful implementation of national and international nuclear non-proliferation objectives may be met.

Before beginning, I must point out that a number of my friends and family members work in the nuclear industry in my constituency, and that I am a former employee of the Sellafield nuclear plant, which sustains something in the region of 16,000 jobs in my constituency.

My Bill is designed to resolve some of the most important issues facing us, as a country, and some of the most important issues facing the British nuclear industry today. The Bill presents a series of policy solutions to certain complex and interconnected challenges that are currently before us. The complete resolution of all the issues outlined in the Bill will require interdepartmental co-operation in Whitehall and intergovernmental co-operation internationally. Fundamentally, however, the genesis of the solutions to these problems lies constitutionally and legally in Parliament, but technically and physically at Sellafield, in my constituency.

The Bill covers seven areas: the cost of nuclear decommissioning to the taxpayer; the potential of publicly owned nuclear facilities and materials to generate significant commercial revenue; the continuation of spent nuclear fuel reprocessing; the establishment of a new mixed oxide fuel manufacturing facility at Sellafield; the significant effect of that on the final radioactive waste inventory for the national deep geological depository; the management and governance of non-British radioactive materials in Britain; and, perhaps most importantly, the significant help that the proposals would give to our nuclear non-proliferation objectives.

The Government have taken the right decision on decommissioning this country's ageing nuclear facilities. The estimated decommissioning cost to the taxpayer now stands at about £80 billion. This estimate could increase or reduce as decommissioning continues, as new techniques are developed and as expertise from all over the world is brought to bear on what are in some cases internationally unique engineering challenges. It should be recognised that a large proportion—perhaps the majority—of these costs have been incurred through our military nuclear programmes and not through our civil ones, although in the past that dividing line has sometimes been obscured.

The creation of the Nuclear Decommissioning Authority was an important and necessary step by the Government, and the relatively new body continues to do good work in my constituency and elsewhere around the UK. The NDA recently announced its business plan for the new financial year. It has a budget of £2.8 billion, £1.5 billion of which will be spent at Sellafield. This is all public money, and the rise in spending since the creation of the NDA has been both dramatic and profound. By way of illustration, when I left Sellafield in 2005, its annual budget was just below £900 million. The fact that we need to spend £1.5 billion of public money at Sellafield in this financial year is beyond doubt and, in my view, non-negotiable. However, the principal question for any time—but even more so as we build economic recovery and emerge from recession—is whether all that money should come directly from the public purse. Is there not another or an additional way in which the money can be found? The answer is yes.

The potential of publicly owned nuclear facilities and materials to generate significant commercial revenue at Sellafield is enormous. The thermal oxide reprocessing plant, or THORP, at Sellafield is the single largest yen earner in the British economy. The plant is of vital strategic importance not only to the UK nuclear industry but to the UK as a whole, as it provides services that few facilities in the world can offer. Current reprocessing contracts at THORP—depending on operational performance—are scheduled to end in approximately 2020. THORP reprocesses spent nuclear fuel, separating out the reusable uranium and plutonium as oxides which are then capable of being made into mixed oxide—MOX—fuels.

As the nuclear industry expands across the globe—no one can now doubt the reality or speed of that expansion—the marketplace for the services that THORP can provide continues to grow. This is not a hypothetical marketplace: it exists now, and potential customers are showing genuine interest in pursuing the route that I am outlining. It is incumbent on us as a nation to extract every single penny of value from the facilities at Sellafield, such as THORP and the Sellafield MOX plant, which have been so heavily invested in by the British taxpayer. These facilities are enormous assets, and they can and should be used as income generators, and the derived income could and should be used to limit the decommissioning costs to the public purse. This is not just sensible; it is just, fair and in the public interest. There is therefore a copper-bottomed case for continuing reprocessing at THORP beyond 2020, and it is now in our interests aggressively to seek and pursue the commercial opportunities that exist.

In addition, there exist at Sellafield tens of thousands of tonnes of uranium dioxide and approximately 100 tonnes of plutonium oxide. Consultations are under way on how to classify these materials. Put simply, there is a stark choice to be made: the materials are either wastes or assets. If they are classified as wastes, it will cost billions of pounds of public money to treat, store and dispose of them. If, however, they are classified as assets—which they undeniably are—their value as component materials to service the growing international demand for MOX fuel will be enormous, and they will be worth tens of billions of pounds to the British taxpayer and to the nation.

There is real interest from certain parties in developing a new MOX fuel manufacturing plant at Sellafield, and this should be pursued in the national interest. Using plutonium and uranium oxides in that way would certainly change the nature of the radioactive waste inventory

[Mr. Jamie Reed]

that will eventually be placed into a deep geological facility somewhere in this country—potentially in my constituency. That decision would be entirely in the hands of local people, not politicians, but the status of the nuclear fuel cycle and the final inventory will inevitably have an effect on the process and on public attitudes.

So there is clearly an issue of definition with regard to British and non-British radioactive wastes. The definition is a simple one, and the legally binding substitution arrangements that Britain has with its overseas customers work well. This is a prescriptive and demanding process, and it should be so. However, such is the nature of the constitutional change experienced by this country that few draft arrangements should now be established for the management, storage and governance of the radioactive materials currently stored at Sellafield, in case the definition of Britain changes.

Clearly, as a British facility, Sellafield currently stores and treats materials that are generated within Scotland as part of the United Kingdom—and it has done so for many years. The arrangement works well. However, should the Scottish people opt to leave the United Kingdom—in my view, that is their inalienable right—these materials will cease to be classified as British. Such a move would mean that all Scottish radioactive waste stored and treated in Britain would have to be reclassified. Such a move would necessarily require new environmental, economic and policy arrangements. Potentially, all Scottish materials could have to be returned to Scotland at the cost of billions of pounds to the Scottish taxpayer. Such a move would probably require the creation of an independent Scottish Nuclear Decommissioning Authority, an independent Scottish regulator and an independent Scottish deep geological repository, and more.

Alternatively, Britain could enter into entirely new arrangements for Scotland and establish a commercial arrangement whereby Scotland paid Britain for its waste to be treated and stored—again, at the cost of billions of pounds to the Scottish taxpayer, but again, the revenue could be used to accelerate decommissioning in Britain or to offset the costs to the British taxpayer.

There are many more scenarios, and I hope that officials from the Scottish Government and Whitehall can meet soon to discuss potential eventualities and to develop a mutual way forward. These issues must be addressed in a calm, rational and consensual manner. To this end, I have written to the Scottish First Minister in the hope that we can begin this dialogue.

Finally, the strengthening of the industrial base, which facilitates the nuclear fuel cycle in this country, provides us with the single best chance we have of not only meeting our own nuclear non-proliferation objectives, but helping others, particularly the United States, to meet theirs as well. The same skilled work force, academic base, industrial supply chain and industrial practices that will and should help us to exploit our nuclear fuel cycle technologies are the same as those that will help us to put nuclear weapons materials beyond use. We owe it to ourselves and to existing and future generations to do this, and we owe it to the taxpayers of this country to maximise every drop of value from the nuclear investments they have made. My constituents deserve nothing less.

Question put and agreed to.

Ordered,

That Mr. Jamie Reed, Andrew Gwynne, John Mann, Phil Wilson, John Robertson, Albert Owen, Mr. Richard Caborn, Hilary Armstrong, Mr. Alan Milburn and Mr. John Hutton present the Bill.

Mr. Jamie Reed accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 23 April, and to be printed (Bill 103).

Business of the House

Mr. Speaker: I inform the House that I have not selected an amendment to the motion, so the debate is on the main motion.

12.43 pm

The Leader of the House of Commons (Ms Harriet Harman): I beg to move,

That the following provisions shall have effect—

Sittings on 7 and 8 April: general

1. At the sittings today and tomorrow—

(1) any Motion made by a Minister of the Crown may be proceeded with, though opposed, until any hour, and shall not be interrupted under any Standing Order relating to the sittings of the House;

(2) any Lords Amendments or Lords Message in respect of any Bill may be considered forthwith without any further Question being put;

(3) Standing Orders Nos. 83D to 83H and 83I(2), (3) and (6) (conclusion of proceedings, &c.) shall apply to proceedings to be taken in accordance with this Order (but with the omission of Standing Orders Nos. 83D(2)(c) and 83E(2)(c));

(4) notices of Amendments, new Clauses or new Schedules to be moved in Committee on any Bill may be accepted by the Clerks at the Table before the Bill has been read a second time; and

(5) Standing Order No. 41A (Deferred divisions) shall not apply.

Wednesday 7 April

2. At today's sitting the following business shall be brought to a conclusion (unless already concluded) at the time after its commencement shown in brackets at the end of each sub-paragraph—

(1) proceedings on consideration and Third Reading of the Bribery Bill [*Lords*] (one hour);

(2) Committee of the whole House and remaining proceedings on the Northern Ireland Assembly Members Bill [*Lords*] (one hour);

(3) proceedings on the Motion in the name of Secretary Alan Johnson relating to the draft Misuse of Drugs Act 1971 (Amendment) Order 2010 (one hour);

(4) proceedings on consideration and Third Reading of the Debt Relief (Developing Countries) Bill (one hour);

(5) any Motion made by a Minister of the Crown for the bringing in of an Appropriation Bill, presentation and First Reading of any Bill brought in in pursuance of that Motion and remaining proceedings on any such Bill, to which Standing Order No. 56 (Consolidated Fund Bills) shall apply (forthwith);

(6) Second Reading and remaining proceedings on the Finance Bill (three hours); and

(7) Committee of the whole House and remaining proceedings on the Digital Economy Bill [*Lords*] (two hours).

3. Proceedings on any Lords Amendments or Lords Message in respect of any Bill which are taken at today's sitting shall be brought to a conclusion (unless already concluded) one hour after their commencement.

4. Paragraph 2(3) shall have effect notwithstanding Standing Order No. 16 (Proceedings under an Act or on European Union documents).

5. Paragraph 2(6) shall have effect notwithstanding the practice of the House as to the intervals between stages of a Bill brought in upon Ways and Means Resolutions.

6. If the Finance Bill is read a second time, it shall stand committed to a Committee of the whole House and the House will immediately resolve itself into a Committee on the Bill.

7. If, on the conclusion of proceedings in Committee on the Northern Ireland Assembly Members Bill [*Lords*], the Finance Bill or the Digital Economy Bill [*Lords*], the Bill is reported with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

8. At today's sitting, the Speaker shall not adjourn the House until any Messages from the Lords have been received and any Committee to draw up Reasons has reported.

Thursday 8 April

9. At tomorrow's sitting proceedings on consideration and Third Reading of the Sustainable Communities Act 2007 (Amendment) Bill shall be brought to a conclusion (unless already concluded) one hour after their commencement.

10. Proceedings on any Lords Amendments or Lords Message in respect of any Bill which are taken at tomorrow's sitting shall be brought to a conclusion (unless already concluded) one hour after their commencement.

11. At tomorrow's sitting, the Speaker shall not adjourn the House before a Message has been received from the Lords Commissioners.

12. On Thursday 8 April there shall be no sitting in Westminster Hall.

General

13. Standing Order No. 82 (Business Committee) shall not apply in relation to any proceedings to which this Order applies.

14. The Order made on Friday 12 March 2010 that the Sustainable Communities Act 2007 (Amendment) Bill be considered on Friday 23 April 2010 shall be discharged; and, notwithstanding the practice of the House which forbids the bringing forward of an Order of the Day, the Bill, as amended in the Public Bill Committee, shall be considered tomorrow.

15. A reference in this Order to proceedings on or in respect of a Bill includes a reference to proceedings on any Money Resolution, Ways and Means Resolution or Order of Consideration Motion in relation to those proceedings.

16. The Speaker may not arrange for a debate to be held in accordance with Standing Order No. 24 (emergency debates) at today's sitting, or at tomorrow's sitting, before the conclusion of the proceedings at that sitting to which this Order applies.

17. If today's sitting continues after 10.30 am on Thursday 8 April, this Order shall have effect as if any reference to the sitting on Thursday 8 April were a reference to today's sitting.

Yesterday, I announced to the House the business that we will take in the run-up to Dissolution next Monday. This motion will enable the House to conclude the passage of legislation before the general election. It allows the House a truncated process for concluding the consideration of Government Bills that have completed all their stages in one House and have had at least a Second Reading in the Second House. It also provides for the Finance Bill and Appropriation Bill to be taken through all their stages, which is essential to the continuation of the tax system and of public expenditure during the election period. The only Government Bills that will be taken through this truncated process are those that have already received a substantial amount of scrutiny in both Houses, or those essential to the maintenance of the public finances.

The motion provides an opportunity for the House to complete its consideration of two private Members' Bills that were unopposed on Second Reading and have completed their Committee stage.

The motion enables the House's remaining time to be divided between the Bills. By the time the House rises on Monday it will, I hope, have passed 13 Bills, in addition to the 10 Acts that have already received Royal Assent in the current Session. Hon. Members know that the process will work only if the official Opposition agree to the measures presented by the Government, and I thank them for their co-operation.

[Ms Harriet Harman]

Under the terms of the motion, each of the following items of business will be allocated up to one hour in today's sitting: Third Reading of the Bribery Bill [Lords]; Committee of the whole House and remaining stages of the Northern Ireland Assembly Members Bill [Lords]; consideration of the draft Misuse of Drugs Act 1971 (Amendment) Order 2010; and remaining stages of the Debt Relief (Developing Countries) Bill. All stages of the Appropriation Bill will then be taken. Up to three hours will be allocated to the Second Reading and remaining stages of the Finance Bill. The Committee and remaining stages of the Digital Economy Bill [Lords] will then be taken for up to two hours. The House may also be asked to consider any Lords amendments or other Lords messages that may be received for up to one hour each.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I note that one piece of unfinished business has not been included in the motion. Can the Leader of the House explain why no time has been allocated for the House to implement the Standing Orders for which it voted so overwhelmingly in principle, and which would finally redeem at least something of the record of the Government and the House in regard to reform? What held the Leader of the House up? Were the official Opposition against the allocation of that time, or were the Government against it?

Ms Harman: As I have explained, during the remaining two days of business we must deal with 13 Bills and one statutory instrument, consideration of which I hope will be completed. That is a great deal for the House to get through.

David Howarth (Cambridge) (LD) *rose—*

Ms Harman: I am still replying to the question asked by the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith).

The Chair of the Reform of the House of Commons Committee and others have tabled an amendment, which has not been selected for debate and which is the subject of the question asked by the hon. Member for West Aberdeenshire and Kincardine. The hon. Gentleman has called for the allocation of time in which to debate the Standing Orders relating to the establishment of a Business Committee for the next Parliament.

Mr. Bernard Jenkin (North Essex) (Con): You oppose it.

Ms Harman: I do not oppose it; I support it, as I have made clear.

I do not want to take time away from any of the Bills that need to reach the stage of Royal Assent by providing time for the implementation of Standing Orders that will not apply until the next Parliament in any event. We have done the work on Commons reform in this Parliament. The Commons Reform Committee was set up in this Parliament, it has reported to this Parliament, and its reports been debated in this Parliament. All its key recommendations have been endorsed by the House, including the establishment of a House Business Committee.

Dr. Evan Harris (Oxford, West and Abingdon) (LD) *rose—*

Ms Harman: I am still replying to the question, although my answer may seem rather extensive.

Following the substantive decisions on changes in our procedures, the House has agreed to the Standing Orders which will allow the election by secret ballot of Chairs of Select Committees. It has also agreed to the election by secret ballots of members of Select Committees, and to a new provision enabling Back Benchers to table motions which can be not only debated but voted on. All the measures that arose from the Wright Committee's proposals are in place.

We have tabled the changes to Standing Orders that would establish the new Business Committee—which I support—and the House has agreed that that will start when the House returns after the general election. The motions are on the Order Paper, but they cannot be passed without a debate, because they have been objected to. As I said yesterday, I consider it wrong for hon. Members who lost the vote on the substantive motion to obstruct the clear will of the House by objecting to the new Standing Orders. The House has expressed its view in principle, and the Standing Orders implement that decision. I think it wrong for hon. Members to object to that, and I think that they should withdraw the amendments that serve as an objection.

These changes are not due to become operational until the new Parliament. To put it bluntly to hon. Members and to anticipate any intervention, we are not going to propose to the House, because I do not think it is right to do so, that we sacrifice primary legislation, which can reach Royal Assent now, for the sake of a Standing Order that is not due to come into effect until after the general election. That is my position. I support this reform, I expect it to be seen through in the next Parliament—the work has been done in this Parliament—and hon. Members should be reassured that as this change has been agreed by the House, there is no way in which that genie will be put back in the bottle after the general election.

Dr. Harris: Will the Leader of the House give way?

Ms Harman: I will give way, but I am almost certain that I have answered the point and this is just a question of the hon. Gentleman's not agreeing. I do not think that it is right to sacrifice primary legislation for the sake of a Standing Order that will not be implemented until the next Parliament in any event.

Dr. Harris: The terms of the motion, which the Leader of the House actually voted against, provided for this change to be made in time for the beginning of the next Parliament. That means that this should be done in this Parliament; it is the job of this Parliament. She accepted that when she said:

"I am under a duty and a responsibility to ensure that this happens before the next Parliament so that...Standing Orders are in place."—[*Official Report*, 18 March 2010; Vol. 507, c. 986.]

Was she wrong then? Did she misspeak? Was she trying to mislead us? Why did she say that then, given what she is saying now?

Mr. Speaker: Order. Just before the Leader of the House responds, may I say that I am sure that the hon. Member for Oxford, West and Abingdon (Dr. Harris) would want to insert the word "inadvertently" before the word "mislead"? I am sure that he would not accuse the Leader of the House of seeking to mislead the House.

Ms Harman: I am not, either inadvertently or in a calculated way, trying to mislead the House, nor did I misspeak. What I have said is that following the will of the House being expressed in the resolution, I would ensure that Standing Orders giving effect to that will would be on the Order Paper, so that the will of the House could come into effect. That is what I have done. Hon. Members who lost the vote have put up an objection in order to stop this going through now. The hon. Gentleman will recognise that we all agreed that, irrespective of whether the Standing Orders are dealt with now or after the House returns, the new House Committee would not be operational until the new Parliament. We should be ensuring that it is operational when the House gets back after the general election. My priority is to get these two private Members' Bills and these 13 Bills through to Royal Assent; I want to get the primary legislation on to the statute book. The Standing Orders to allow the House to manage its own business can be dealt with when the House gets back. I really believe that when the new Members arrive in the next Parliament, they will find that we have paved the way for the House to organise its own business, instead of having the Leader of the House pick on behalf of the House the subjects of topical debates and the non-Government business. That is progress that the House has made. Opinion has moved on and that will be the settled will of the House when the House gets back.

David Howarth *rose—*

Ms Harman: No, I am not going to give way, because I have just got to discuss tomorrow's business.

Martin Salter (Reading, West) (Lab) *rose—*

Ms Harman: Okay, I will give way to my hon. Friend.

Martin Salter: Can the Leader of the House explain why we can find time to deal with two private Members' Bills and a statutory instrument—we are likely after a long night tonight to rise around tea time tomorrow—yet we cannot find an hour, and I must say that this will not take an hour, to deal with this Standing Order? It was promised in order to give expression to the will of this House and of a Select Committee that I and many others spent the summer serving on, its having been set up by this Prime Minister.

Ms Harman: My hon. Friend is one of the Members who have done so much to move the view of the House forward and to work out the detailed arrangements so that we can carry out our business better. That is the will of the House; it has been resolved and, as I say, the Standing Orders have been drafted. However, I do not think that he should minimise the importance of giving priority to important Bills, such as the Digital Economy Bill and these two private Members' Bills, and leaving the Standing Order changes, which have all been drafted so are all ready to go when the House returns, until later. Hon. Members are creating the impression that somehow the plug has been pulled on reform, but that is not the case because what has happened is that the Wright Committee has made a great many proposals and the House has agreed them. That is a major step forward. Just one set of Standing Orders remains, which can safely be left until the House gets back.

Several hon. Members *rose—*

Ms Harman: No, I am not going to give way, because I have set out my view.

Dr. Tony Wright (Cannock Chase) (Lab) *rose—*

Ms Harman: I shall give way to my hon. Friend.

Dr. Wright: I understand that this is not a difficulty of my right hon. and learned Friend's making and that she is not responsible for the situation in which we find ourselves. However, we are in a very silly position because the House has resolved that it wants to do this in this Parliament—that is what the House has agreed—and it simply requires a small action on her part to enable it to happen. The objectors are not going to press their objections; one of them has already told me that his objection has been withdrawn. This can be done readily and easily. The House has said that it wants to do it, so I, again, ask her to ensure that we can.

Ms Harman: If the objections are being withdrawn, as my hon. Friend has said, I would very much welcome that. Any amendment would have to be withdrawn, but then these provisions could go through on the nod. There is no doubt about that. Most of the Standing Orders that we drafted, which simply gave expression to the will of the House and put it into practice, went through on the nod. I shall check up again with the Table Office, and if all those who objected have withdrawn their objections—I think it is wrong for them to object to the House's having Standing Orders that put into effect the will of the House—of course this can go through.

I propose that in tomorrow's sitting the House takes the remaining stages of the Sustainable Communities Act 2007 (Amendment) Bill, for up to one hour. The House may then go on to consider any Lords amendments or other Lords messages that may be received relating to six Bills: the Crime and Security Bill; the Constitutional Reform and Governance Bill; the Children, Schools and Families Bill; the Energy Bill; the Financial Services Bill; and the Flood and Water Management Bill. Up to one hour is allocated for consideration of Lords amendments on each Bill. We expect Parliament to be prorogued at the end of tomorrow's sitting. I hope that the House will agree to this motion swiftly so that we can proceed to consider the important legislation before us.

On behalf of the Government, I conclude by thanking all the staff of the House for their work during this Parliament. I also extend my deep thanks to the civil servants across Whitehall and in my private office who support the work of the Office of the Leader of the House. I commend the motion to the House.

12.58 pm

Sir George Young (North-West Hampshire) (Con): May I endorse what the right hon. and learned Lady said in her concluding remarks and thank all those who have worked in the House and done a fantastic job supporting us and helping us to perform our duties to the public? This has not been the most illustrious of

[Sir George Young]

Parliaments, but I hope that those of us who are returned in six weeks' time can work together to ensure that the next one is better.

This could be a long day, because nine hours are programmed for debate after this debate, which can go on until 7 o'clock. That is in addition to any votes and consideration of any Lords amendments, so I shall keep my comments to a minimum. As I said yesterday, the Conservatives have taken, and will continue to take over the next few days, a constructive approach to the Bills before the House. I must say that there would have been much less to wash up had we spent less time earlier in the Session on the so-called declaratory Bills—the motherhood and apple pie Bills, which were simply press releases put into legislation. They took time away from the important Bills, some of which now confront us. We could thus have made faster progress on them.

It is of course the collective responsibility of the House to ensure that the legislation is properly scrutinised. The Government have no divine right to get their Bills on to the statute book if they have not gone round the course. Conservative Members are pleased that some of the more objectionable sections of these Bills have been removed, and I hope we can work together to ensure that the good bits safely reach the statute book. I will leave it to my various Front-Bench colleagues to pass comment on each Bill as we reach it.

Let me return to the point that took up much of the right hon. and learned Lady's speech, but first may I respond to the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith)? The Opposition have in no way obstructed the bringing forward of the Standing Orders, which is what he implied. I echo the thoughts of colleagues across the House, who are bitterly disappointed that the Leader of the House has failed to find the time for the debate on the Back-Bench business committee.

Sir Robert Smith: I was not implying that but genuinely seeking to learn from the Leader of the House, as it was a two-party negotiation, where the stumbling block was. The Government are clearly the stumbling point. I welcome the fact that the shadow Leader of the House seems to be committed to that proposal. Is that commitment one that he thinks he could deliver if he were in government?

Sir George Young: I have a peroration that, if the hon. Gentleman can contain himself, will give him the answer to his question.

I was checking up on the commitments the right hon. and learned Lady had given this House. On 11 March, she said that

"it is gratifying that there were very big majorities in the House last week to resolve this matter and move forward. We have the resolutions of the House. My task now is to make sure that the House is given an opportunity to endorse the Standing Orders that will give effect to them. My mandate is the will of the House as expressed in the resolutions. We need Standing Orders to give effect to them—nothing less."—[*Official Report*, 11 March 2010; Vol. 507, c. 433.]

On 18 March she said:

"He"—

meaning me—

"need not worry about progress being made on the proposals that we shall be going forward with. We need to complete the process of placing before the House for its approval the Standing Orders that would give effect to the resolutions of the House, and they will indeed be brought forward"—[*Official Report*, 18 March 2010; Vol. 507, c. 975.],

and on 25 March:

"On the Reform of the House of Commons Committee proposals, we have put on the Order Paper the Standing Orders that give effect to the resolutions of the House, and we will bring those forward for approval by the House on Monday."—[*Official Report*, 25 March 2010; Vol. 508, c. 380.]

She did not—she had to withdraw that commitment in a subsequent debate on the same day.

The Leader of the House has to accept responsibility. She could have found the time—an hour and a half—between the beginning of March and now to debate the Standing Orders and for the House to reach a conclusion. On an earlier occasion, because one of my independently minded Back-Bench colleagues objected to a private Member's Bill, she tried to pin the responsibility on the official Opposition. By the same analogy, those who have objected to these Standing Orders are all members of her party and, by the same logic, she must accept some collective responsibility for the fact that it is Labour Members of Parliament who have tabled amendments that have obstructed their progress.

In a recent argument in *The House Magazine*, the right hon. and learned Lady declared, in reference to parliamentary reforms, "Bring it on, Sir George". In the light of what has now happened, I am delighted to confirm to the House that that is exactly what I might have to do in a few weeks' time.

1.2 pm

David Howarth (Cambridge) (LD): I too am extremely disappointed that the Government have chosen not to allocate time for the completion of the reforms proposed by the Committee chaired by the hon. Member for Cannock Chase (Dr. Wright)—or at least those parts of them that the Government committed themselves to bring forward. As the right hon. Member for North-West Hampshire (Sir George Young) has just said, the Leader of the House committed herself to doing that on three separate occasions in three separate weeks. The only thing I would add to his comments is that she repeatedly said that the relevant orders would be brought before the House before the next election.

On 11 March, the right hon. and learned Lady said that

"I can assure the House that we will bring forward the Standing Orders, and there will be an opportunity for the House to endorse them before the next election."—[*Official Report*, 11 March 2010; Vol. 507, c. 433.]

On 18 March, she said:

"I am under a duty and a responsibility to ensure that this happens before the next Parliament so that the Standing Orders are in place."—[*Official Report*, 18 March 2010; Vol. 507, c. 986.]

That is the commitment she is going back on today by saying that the completion of the work can be left to the next Parliament. That is not what she was saying in March.

Martin Salter: Does the hon. Gentleman not agree that it is risible to hold the notion that the dewy-eyed political virgins that will descend on this place, irrespective of the outcome of the general election, will have as their raison d'être a reforming zeal rather than seeking, as all

new Members do, preferment as quickly as possible? Is this not a matter that should be resolved in this Parliament, as promised?

David Howarth: It is important that we do what we can now. Parliaments have nicknames—the Long Parliament, the Short Parliament, the Good Parliament and the Bad Parliament—and I am afraid that the next Parliament will be the Naive Parliament. We need to bear that in mind in what we decide to do today.

The Leader of the House said that there is not time today or tomorrow to fit in these 90 minutes. Can she confirm that if the Government wanted to they could extend the wash-up period into Friday? That would give us an entire day to debate these matters. Will she give an assurance to the House that if we find ourselves, as we often do at Prorogation, with the House adjourned while waiting for the other place to complete its consideration of Bills—I am sure that that will happen—she will reconsider her decision and use that time to pass the Standing Orders? What is different about the Standing Order changes is that they do not require the consent of the other place. We can make them here ourselves without any ping-pong. That is a crucial difference between this proposal and her proposals for the consideration of Bills.

Dr. Evan Harris: Is there not something particularly special about this? In this case, the House spoke and the House voted for something to happen. I believe my hon. Friend has a side interest as an historian of this place and I would like to ask him whether a Government have ever previously defied the will of the House in not doing what they are bound to do by a resolution of the House. They had to act when they lost the motion on the Gurkhas. Have a Government ever before been so arrogant that they have defied the will of the House in this way?

David Howarth: I cannot think of an example of that. I can think of examples of Governments completely losing their ability to do what they have promised to do before they fall, but not in this situation, where the Government still have a majority that they could use to fulfil their commitment.

Briefly, let me come on to what we are going to do tomorrow. The motion says that we will be considering Lords amendments and that there will be an hour for each of the Bills. Presumably that will include the Constitutional Reform and Governance Bill. I thought I was going to come to this debate to say that an hour would not be enough to consider a Bill of such massive importance, but it seems that minute by minute the Government and those on the Conservative Front Bench are getting together to cross out more and more of it, including the Government's commitment to hold a referendum on electoral reform and to remove the absurd by-elections for hereditary peers. I noticed that the Leader of the House was pointing to the shadow Leader of the House, saying that this was all the fault of the wicked Tories. Let me say this to the Government: it is not; it is their fault.

There is a different way forward which the Government have chosen not to take. They could have tabled a business motion in the Lords that would guarantee the passage through the Lords of the parts of the Constitutional Reform and Governance Bill that they are now agreeing with the Conservatives to get rid of. There are precedents for this because in 1997, when the Conservatives were last in charge, there was a business motion in the House of Lords in the wash-up period—*[Interruption.]* As the shadow Leader of the House says, the Conservative party at that point had a majority in the Lords. The question for the Government is why they have not tabled such a business motion and challenged the other parties in the Lords—the Liberal Democrats and the Cross Benchers—to support them on that motion. If they did that, I am sure they would get widespread support.

What I suspect is going on is a combination of two things. On the one hand, the Government are split over whether they want these reforms at all. This has always been the case with electoral reform and the Labour party. I remember as an elector receiving a letter from a Labour candidate in 1997 promising electoral reform then. Strangely, 13 years later it has not happened. This is the normal pattern, and there are reactionary forces in the Labour party that are opposed to all political reform. I am sure that is one factor. The other factor is the attempt to raise an election issue by pretending that the Labour party is in favour of reform and the Conservatives are not, when the reality is that with the right advice and the right negotiations across parties those reforms could be put through now. That strikes me as an entirely fake manoeuvre.

Those two issues—the completion of the reform of the House that was proposed by the Wright Committee, and the Government's pusillanimous treatment of political reform—mean that although the right hon. Member for North-West Hampshire was able to say that he would follow a constructive approach, both in this House and in the other place, I presume, through the wash-up, I cannot make the same commitment because my party has been excluded from the negotiations. So I am not in a position either in this House or, more importantly, in the other place to say that we will co-operate with the Government in getting their business through. Indeed, we will start that approach this afternoon by dividing the House on this motion.

1.11 pm

Mr. William Cash (Stone) (Con): The problem that has been presented by the hon. Member for Cambridge (David Howarth) has been alluded to already in this morning's Westminster Hall debate secured by the hon. Member for Reading, West (Martin Salter). In the limited time available in that debate, we considered some of these questions.

This issue is the effectiveness of government and who runs the House of Commons—and in turn the country. It is also about the imbalance that has been created as a result of the persistent degradation and diminution of this House's role in relation to the Government. There is a way of describing that in relation to the mechanics of this House—it is called "the usual channels" or the Whips. Of course there has to be a Whip system, otherwise there would be chaos. People join political parties, and when they vote for those parties, using their freedom of choice at the ballot box, they have the right to expect that there will be a proper and proportionate degree of support for the causes and political objectives that they supported in the general election. But—and this is a very big but—that does not mean that there is

[Mr. William Cash]

an unconditional requirement to do whatever the Whips, and therefore the Government, want. We talk about the Whips as though this is all because of them, but it is not—it is because of the orders that are given by the Government. This is about the patronage that the Government exert and the determination and the political will of having what they want. The Prime Minister says, "I will insist upon this; I will do what I want," and he issues the directions down through the system. That is how the Whips operate.

Sometimes, criticising the manner in which the Whip system operates—I am one who does that—does not sufficiently explain the mechanics of the use of power that is exercised, but not on behalf of the people: once a person has been elected as the Prime Minister, the question is whether he is bound by manifesto commitments. The short answer, in relation to the European constitution, for example, is quite clearly no. Obviously, when it comes to having a referendum on the European issue, the answer is also no. The real issue before us, then, is this: we have to rebalance and recalibrate the manner in which the Whip system operates in practice, and the mechanism for that is the Standing Orders. It is impossible to imagine that somehow or other there will, by the waving of a magic wand, be a change in the way the Government and legislation operate in practice, so the Standing Orders themselves will have to be addressed. As I have said a number of times in the past few months, it is essential to return power to the House of Commons and take it away from the Executive.

I have not the faintest idea whether you agree with this, Mr. Speaker, and it is not for me to suggest that you should agree to it, or whether you have any right to agree to it, as we are talking about the House of Commons and not about the Speaker. I believe that the Speaker's role, in historical terms, is, as was said on a famous occasion, to be a servant of the House. The Speaker might therefore want to give guidance and might have his own views, but when it comes to the application of the rules, the Executive in the 1880s were given the power to determine Standing Orders. I believe that many others would agree with me if they were aware of what was going on, and would want the running of the Standing Orders to be vested in the impartial role of the Speaker himself. That would be one way of ensuring that we did not have an omnipotent Government who were driven by political will, irrespective of the freedom of choice that was exercised at the ballot box, and through the party Whip system.

Mr. Speaker: Order. Let me say to the hon. Gentleman that his historical ruminations are endlessly fascinating and his bid for greater powers for the Speaker is obviously enticing, but I feel sure that he will now focus his remarks on the business of House motion.

Mr. Cash: It is against that background, because it is important that we get the landscape right, historically, politically and practically, that I move to the issue of the Wright Committee report and, of course, Parliament First. Like other Members present I have been a member of Parliament First, and I have said in the past that I would prefer it to be called People and Parliament First because it is about the people. This is not our Parliament; it is the people's Parliament, but we are their representatives—another practical requirement. When it comes to the business of the House and what the Leader of the House appears to have done—I mentioned this to the Deputy Leader of the House this morning in Westminster Hall, and we still do not have an answer; she told us she was not in a position at this stage to make a declaration as to exactly what was going to happen on this business of the House motion—

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): I think I am being misquoted, Mr. Speaker. I said that I was not going to pre-empt the debate.

Mr. Cash: Yes, well, it comes to much the same thing. Let us not split hairs. The important question is about the proposals of the Wright Committee, Parliament First and others who have fought this battle for radical reform. We know that Select Committee Chairmen are going to be chosen by secret ballot and that, through the party groups, members of relevant Select Committees will be chosen. I think that all the Select Committees should be included, but that is a separate issue, although I note that the European Scrutiny Committee and the Public Accounts Committee do not seem to be included. Irrespective of all that, the real issue about the business committee being proposed is that the Government are not prepared to put their money where their mouth was. They said that they were going to do it, and the House agreed to do it, but they have used their control over the House—I go back to my earlier comments about their control by political will over this House through the Whips and their control of the Standing Orders—and they are bypassing decisions that have, to all intents and purposes, already been taken by the House, on behalf of the people of this country, to return the running of the business of the House back to where it belongs. This is a disgraceful betrayal of the role of the Leader of the House.

The Leader of the House made her speeches and we heard them. I took part in all those debates, as did other Members who are present today. However, her actions seem to be to do with the political will of the Government and No. 10—and, no doubt, on instructions. I have an idea that she might be more on our side than she is prepared to admit. I believe she has been told by the Whips and No. 10 to do what she is doing, which is betraying this House and the people of this country. The bottom line is that she is taking away the House's right to have a Back-Bench business committee that would enable real power to be taken back from the Executive and given to Parliament on behalf of the people who vote in general elections.

This is about freedom of choice. It is not a philosophical question, but a practical one. People sometimes think that matters of constitutional law and practice are pure abstract theory, but they are not: they are about the exercise of power, and this is an extremely good example of a deliberate misuse of power that is a betrayal of the British people just as we are about to embark on a general election.

Moreover, the House business committee that was being discussed has simply dropped off the agenda. Unless we hear something to the contrary from the Leader of the House, this business motion is in effect a

clear betrayal of decisions that were made, and of arguments advanced, in the interests of the people who use their free choice to vote in general elections. They need people like us to represent their interests in the constituencies, and that is why I take the gravest exception to what I am observing today.

I do not think I am going to hear anything to counter my fears. I am convinced that the talk about referendums on parliamentary reform, proportional representation and alternative votes is just another smokescreen that is being used to take away the British people's right to make their own decisions. The proposed changes to the electoral system would cause votes to be reshuffled by a mechanism that would dilute freedom of choice at the ballot box.

Lloyd George was on to this. I will not repeat what I have said in previous debates, but I have had some banter on this topic with the hon. Member for Cambridge. I like him very much: he is a distinguished lawyer who knows his onions, but I think the Liberal Democrat party has slightly forgotten its origins in the Speaker's Conference of 1911 and the 1931 election.

I set out all these matters in more detail the other day, and I shall not repeat them now, but Lloyd George was completely in favour of proportional representation when it suited him and completely against it when it did not. This is all about the practicality of power, as I have described already.

The phrase "constitutional law" is almost irrelevant when one looks at what goes on in this House, because we are really talking about the use of power. A Government can exercise power when they have gained control over the system, and it is the way they do that that is dressed up as the constitutional process.

The bottom line is that the business motion is being used to programme Bills so that we cannot discuss them. An example of that is the Government's disgraceful behaviour with regard to the Digital Economy Bill. There may not be anything intrinsically wrong with many of its objectives, but it is wrong—in principle and in fact—for us to use truncated legislative procedures. They do not give the people of this country the sort of legislation they deserve because nothing is discussed properly.

Of course, the use of such procedures also takes away from Members of Parliamentary their incentive to be in the House at all. They know perfectly well that the vote will go according to decisions taken by No. 10, the Leader of the House, the Whips and the Executive. All the proposals on alternative voting and the attempt to introduce a greater degree of fairness—

Mr. Speaker: Order. If I were a student at a tutorial being conducted by the hon. Gentleman, I would no doubt find it very satisfying, but I am seeking to chair an orderly debate. He must resist the temptation to dilate on matters that are well wide of the motion. I feel fairly confident—at least hopeful—that he might be drawing his remarks to a close, because I know that he will be sensitive to the wish of other people to speak in the debate.

Mr. Cash: I am extremely glad that you have made that point, Mr. Speaker, because I was just beginning my peroration. The point that I was making may not be Periclean, but it is certainly relevant to what is really wrong with this House—the way that it has been betrayed by those who use their political will to prevent people from changing the system or expressing their views. The same will happen again if this motion goes in the direction that it appears to be going. It is an attack on freedom of speech in this House—that is the level of the betrayal.

1.25 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Following on from what the hon. Member for Stone (Mr. Cash) just said, the treatment of the Digital Economy Bill is symptomatic of what has happened to this House. It is nothing short of outrageous that, the day after its Second Reading, we will have just two hours in which to attempt to debate the remaining stages of such an important and controversial Bill.

It is simply not good enough for the Government to say that the Bill has been scrutinised by a bunch of unelected people at the other end of this building. That was what we were told yesterday, when Ministers said that everything was okay because there had been hours of scrutiny in the House of Lords. The last time I looked, it was this House that was elected. We are the ones who are accountable to constituents—despite the vagaries of an electoral system that means that the general election is already over in about 400 seats—yet we will have just two hours for debate. Many amendments will not be reached and many points will not be made, but the Government have the cheek to say that we should tell constituents during the election that we are doing a good job of scrutiny. It is a complete farce, as there are significant concerns—which I share—about measures in the Digital Economy Bill.

There has clearly been a carve-up between the Conservative and Labour parties. They are entitled to come to an arrangement like that in the elected House, but they are surely not entitled to prevent those of us who disagree with them from reaching our amendments, making our points against the contents of the Bill, and dividing the House on our arguments. The Government are determined to ram through the Bill on the penultimate day of this Parliament, in the space of two hours. It is a process that should take several weeks in Committee and at least one whole day—it should be more—on Report, when people are able to lobby.

How can we look our constituents in the eye and say that this is an accountable House when they do not even have time to lobby in favour of amendments? They are not able to do that lobbying because the amendments cannot be tabled until the Bill has been given a Second Reading.

There is no doubt that this so-called Leader of the House will go down in history as the destroyer of scrutiny. Under her stewardship, far more Opposition and Back-Bench amendments and new clauses—and indeed Government amendments and new clauses—have not been reached than has been the case with any other Leader of the House in recent history. I suspect that the same would be true for the more distant past.

Hardly any major Bill has received adequate scrutiny. The knives have been put in place after the business that needs to be reached, rather than before. The nature of the carve-up by Labour and the Conservatives to undermine scrutiny of the Digital Economy Bill is just a typical example of that.

[Dr. Evan Harris]

That is why the House decided to do something about the Government's approach. On certain points in the Wright Committee report, and on behalf of the Committee itself, hon. Members disagreed with the both Government and Conservative Front Benches and instead voted for two critical measures to improve scrutiny.

The Government keep saying, "Oh, you've got your Select Committee changes." I welcome those changes, but they are not about scrutiny on the Floor of the House. The two measures that have been approved by hon. Members are, first, that a House business committee be set up in the next Parliament to enable us, as a House, to determine how much scrutiny legislation is given. That would take away from the Government the ability to ram through legislation in the way that is happening today and has happened for the past 10 years. The second measure was to set up a Back-Bench business committee. The vote in favour of the detail of that proposal went 2:1 against both of the major party Front Benches. As other Members have said, the Government are clearly defying the will of the House by not introducing those amendments. It is a tragedy that we do not have a chance to deal with them.

With the hon. Member for Cannock Chase (Dr. Wright) and others, I was involved in tabling an amendment to give the House the opportunity to divide on whether time should be provided tomorrow, but the amendment was not selected. I am not able to question the selection, but I think I can say that if there had been any way for the voice of Back Benchers to be heard on these matters, the amendment tabled by the hon. Gentleman, who has just entered the Chamber and is not at all out of breath, would have been selected. I think that in his selection the Speaker has been bound, on a Government day, to let the Government have their business. This is toxic to democracy in the House.

Mr. Cash: I am glad that the hon. Gentleman uses the word toxic. I could not agree more—the words toxic and betrayal go together. When the hon. Gentleman says "bound" to make the decision, does he really mean "bound" or that there was some convention or Standing Order or some other thing that led to a decision that some people rather deplore?

Dr. Harris: I do not want to be led—

Mr. Speaker: Order. May I just say, before the hon. Member for Oxford, West and Abingdon (Dr. Harris) develops his argument, I know that he will not want to be diverted from the path of virtue. The hon. Gentleman is aware that by convention the Speaker does not give reasons for the selection or non-selection of amendments. Of my commitment to this House, and the primacy of the role of Back Benchers, the hon. Gentleman need be—and I am sure is—in no doubt. We cannot get into consideration of why things were or were not selected. Those judgments have to be made, and a miscellany of factors is involved, of which the hon. Gentleman will be aware. I think we should leave it at that.

Dr. Harris: I agree, Mr. Speaker. I was not about to be led. I was not going to try to explore reasons; I just noted that the amendment was not, apparently, selected. I do not want to be drawn from the path of virtue—at least not on this matter.

I want to clarify what the Leader of the House has said, because we should not be in the position of thinking that we would get the Standing Orders. Many people might have had more fun during the last few weeks of their time in the House, not having to worry about such things, if we had not been led astray by the Leader of the House. She said that

"it is gratifying that there were very big majorities in the House last week to resolve this matter and move forward"

move forward in this House.

"We have the resolutions of the House. My task now is to make sure that the House is given an opportunity to endorse the Standing Orders that will give effect to them. My mandate is the will of the House as expressed in the resolutions."

The Leader of the House is right about that.

"We need Standing Orders to give effect to them—nothing less."

I could have said that. I cannot understand how the Leader of the House inadvertently told the House something that turned out not to be true. She led us astray. I am told that by definition that is inadvertent, but I still cannot understand how she could have done it. She continued:

"Whether or not that is the case"—

that is, the concern about whether the Standing Orders were in the right shape—

"I can assure the House that we will bring forward the Standing Orders, and there will be an opportunity for the House to endorse them before the next election."

We are before the next election, but the record will show that the Leader of the House inadvertently said "before the next election", when now she says that, apparently, she meant to say, "after the next election". The House votes to do something before the next election. The Leader of the House tells us that there will be an opportunity for the House to endorse it before the next election, but then we are told that the House was not misled because it must have been inadvertent when she said that there was that opportunity.

I do not know whether the Leader of the House is the bad person in this, or whether she is just forced to do the grubby work of the Prime Minister and higher powers, but at some point she should turn round and say to the people who were pulling her strings in that case, "I am not going to do this any more. I am not going to spend my time inadvertently giving the House the impression that things are going to happen that then don't happen."

On the same day, the Leader of the House told me that she would send drafts of the Standing Order to everyone who had shown interest in the issue. No drafts were sent to anyone. She did not say, "I will table them. You can look at them, think about them and if you object, you can let me know." She said, "I will send drafts." I understood that "sending drafts" meant that we would be sent drafts, but perhaps I am being too literal and I was inadvertently misled in my understanding of the normal words that she used. She continued:

"The question is not what I supported"

because she had not supported the detail—

"what the shadow Leader of the House supported or what we both supported; what matters is what the House decided."

I agree. That led me and others to believe that we would have the Standing Orders in this Parliament. The Leader of the House said:

"The Standing Orders that I will bring forward in draft and consult the hon. Gentleman about"—

that was me—

"will be to bring into effect the will of the House."—[*Official Report*, 11 March 2010; Vol. 507, c. 433-444.]

Well, where are they? How can a parliamentarian of her experience, on three separate occasions within the space of a week, inadvertently lead us to believe that something would happen that did not happen? That is the height of inadvertence.

The Leader of the House said:

"We need to complete the process of placing before the House for its approval the Standing Orders that would give effect to the resolutions of the House, and they will indeed be brought forward."—[*Official Report*, 18 March 2010; Vol. 507, c. 975.]

The business motion—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. It may also be inadvertence on the hon. Gentleman's part that he is saying something that has already been said a number of times and in similar ways during the debate. He may possibly be going into rather more detail than is justified by the overall terms of the motion.

Dr. Harris: I did not think I would get through the debate without being warned and of course I accept your ruling, Mr. Deputy Speaker. However, the arrogance shown by the Government in their failure to bring forward the Standing Orders justifies repetition—if there is any repetition. I accede to your request, Mr. Deputy Speaker, as I always do. I will just say how regrettable it is that in their last week in this place, many Members who served on the Wright Committee not only see the inability to put before the House what they worked so hard for, but see it done in a way that is a betrayal of what we were told.

I see in his place the hon. Member for Cannock Chase, who has always encouraged me to be active on these issues. I am grateful to him. I am his willing tool in all this, and I take the opportunity once again to pay tribute to his work in steering the Committee. I think it is sad for him that we do not get these changes in this Parliament; and I am not convinced that we shall get them in the next Parliament. I think the Government know that.

Sir Peter Soulsby (Leicester, South) (Lab): Does the hon. Gentleman agree that the time that has been spent on debating the absence of the Standing Orders from the motion would have been better spent debating the Standing Orders themselves?

Dr. Harris: I absolutely agree.

I want to say a word about my hon. Friend the Member for Cambridge (David Howarth). The boat race notwithstanding—

David Howarth: And "University Challenge".

Dr. Harris:—And "University Challenge", and probably some second-rate league tables, all give my hon. Friend the whip hand at the moment, in his eyes, but I am prepared to overlook those things. My hon. Friend's contribution today, yesterday and over the past few weeks has been magisterial. He will be greatly missed, because it is the work of people like him that has brought to the attention of the House the Government's failure, as shown by the business motion, to deal with some of the things that we should really be dealing with.

Mr. Cash: I am sure the hon. Gentleman is right on that point—within the House. The problem is that this is a direct assault on the people of this country, and the voters, as we go into a general election. We are depriving them. Does the hon. Gentleman agree that it is incumbent on the media—including television and the BBC—to get the matter out into the arena of public opinion so that people know just how they have been betrayed?

Dr. Harris: Yes, and that was going to be my final point. I do not think the media at large understand how critical the issue of parliamentary reform is. Yes, scrutiny by Select Committees is vital, but until Back Benchers can have access to the Order Paper, the Government will run this place for their own narrow benefit. Yes, they should have their time; yes, of course they should be able to get their business before the House in a timely way, but that does not mean that they should run the House. That is what the Wright Committee said. Our last report, which set out the Standing Orders that the Government should have brought forward in this business motion, was not opposed by any member of the Committee. There was consensus. The people outside that consensus now are the Ministers. Had I been able to catch the Speaker's eye in Prime Minister's questions, I would have asked why a Prime Minister, who in 2007 said that he wanted to see parliamentary reform, and who set up the Wright Committee—eventually—

Mr. Deputy Speaker: Order. I say to the hon. Gentleman, don't spoil it. We have had a good relationship over the years. I have had to rebuke him from time to time, but he should not push me too far. I think he is going way outside the motion.

Dr. Harris: I was making the point that the business motion does not cover the Standing Orders that would deliver the commitment to parliamentary reform made by the Prime Minister at the outset of his premiership, and I shall ensure that I am more in order than I was earlier. The business motion therefore not only blocks the parliamentary reform that we need, but defies the will of the House, which voted by a huge majority for the Standing Orders to be in place before the election—that is the nub of the issue. The Government should be ashamed of themselves, and Conservative Front Benchers need to look closely at whether they could have done more in the negotiations to insist that the Standing Orders would be considered. I pay tribute to the work that the shadow Leader of the House has done on the issue, however, so this is nothing personal.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): We made our position on the Standing Orders absolutely clear during our negotiations with the Government—[Hon. Members: "What was it?"] We said that we wanted them to go through to reflect the will of the House, rather than in the amended form proposed by the Leader of the House. That was set out by the shadow Leader of the House today and in yesterday's business statement. I assure hon. Members that we want to go with the will of the House, rather than the new version put forward by the Leader of the House.

Dr. Harris: Of course I accept what the hon. Gentleman says at face value, but I regret that his position in the negotiations was not strong enough—perhaps this was not a big enough priority. Of course, it might be that the Government's top priority was not delivering the Standing Orders under the business motion and that they were saying, "No matter what, we're not doing that." I fear that the business motion will mean that we do not get this reform, and that will be a tragedy for those who have worked hard for it and for the House. It will also be a tragedy for the Prime Minister, who will look foolish, given what he said. More than anything else, however, it is a tragedy for the scrutiny that the House should deliver for the people.

1.41 pm

Dr. Tony Wright (Cannock Chase) (Lab): Until a few minutes ago, I had not intended to say anything about the motion. I was certainly taking a more benign and generous view of the situation than the hon. Member for Oxford, West and Abingdon (Dr. Harris). I accepted the statement by my right hon. and learned Friend the Leader of the House that she wanted the Standing Order to be enacted but that, unfortunately, that would be difficult because a few Members had tabled amendments. However, we heard an undertaking that whoever was in government in the next Parliament, the provisions would be brought forward. Although I was unhappy, I was content to leave it there.

Yesterday, however, I wrote to the three Members who had tabled amendments to point out that I had been told that only their amendments were preventing the House from doing the thing that it had resolved to do. One of them told me that he would therefore withdraw his amendment. When I returned to my office a few minutes ago, however—I had not intended to return to the Chamber—I found a note that had been relayed to me by the office of my right hon. Friend the Member for North-West Durham (Hilary Armstrong), who is one of the amenders and, of course, a former Chief Whip. The note says:

"She has received your email. She has forwarded it to the whips office. There is nothing she can do about it. She is currently away."

After I read that note, I ceased to be benign and generous.

This is outrageous on a number of grounds. It is outrageous that the express will of the House is being treated with contempt—I do not say by the Whips Office, but I do say by someone in the Whips Office. I had already been told that the amendments came from a single source, but we now know that to be the case. The situation not only treats the House with contempt, but treats my right hon. and learned Friend the Leader of the House with contempt, because I know that she genuinely wants the provision to be enacted. However, by some device the House is being prevented from doing that, and if there is one thing at the heart of our proposals, it is a way of enabling the House to have more freedom of action on its own behalf, so on that fundamental ground, the position is outrageous.

While I was happy to nod all this along in a rather grumpy way, I am no longer prepared to do so. Furthermore, and more importantly, the Leader of the House should not be prepared to be treated in such a way; her credibility is on the line now. She believes in this, but some ruse is preventing it from happening. It is not her fault, but only she can do something about it.

As I said, I have stopped being rather gentle about this. I now feel quite aggressive, but that is because the House is being treated with contempt, and that is not the note on which we should end our proceedings.

Mr. Cash: On a point of order, Mr. Deputy Speaker. In the context of what has been said by the very distinguished Chairman of the Select Committee, the hon. Member for Cannock Chase (Dr. Wright), may I request some guidance about the constitutional role of the Leader of the House, as expressed by "Erskine May" and all the other authorities?

Mr. Deputy Speaker: That is not a matter on which I can rule; it is not for me to advise the hon. Gentleman.

1.46 pm

Mr. Christopher Chope (Christchurch) (Con): The hon. Member for Cannock Chase (Dr. Wright) has made a fascinating contribution. I hope that everyone will remember what he said and the atmosphere in which he said it, because he showed that there is a speciousness on the part of the Government when they say that they cannot bring the Standing Order motion above the line because amendments to it would cause the House a lot of trouble. If the motion was brought above the line, the former Chief Whip, the right hon. Member for North-West Durham (Hilary Armstrong), would not be here to move her amendment, which would therefore fall, and we could go straight on to a vote on the motion. The situation demonstrates the cynical way in which the Government are operating. We must agree that there is a conspiracy on the part of the Government because the only alternative is to cast aspersions on the veracity of the Leader of the House when she said:

"I can assure the House that we will bring forward the Standing Orders, and there will be an opportunity for the House to endorse them before the next election." —[*Official Report*, 11 March 2010; Vol. 507, c. 433.]

Did that mean anything other than what it would mean to anyone with a basic knowledge of English? It means that the Leader of the House assured us that we would be able to vote on the Standing Orders before Dissolution.

Mr. Cash: I was not able to follow this up subsequent to my point of order, but I put it to my hon. Friend that it is traditionally understood in the House that the Leader of the House is responsible for the conduct of business on behalf of Parliament as a whole. Does he agree that this incident—whether the right hon. and learned Lady was forced into this position or agreed to it—demonstrates one thing: she has not carried out the functions of the Leader of the House as we understood them to be conducted?

Mr. Deputy Speaker: Order. In putting his point to the hon. Member for Christchurch (Mr. Chope), the hon. Member for Stone (Mr. Cash) has demonstrated that he did not raise a point of order in the first place.

Mr. Chope: I will not be tempted into attacking the character and integrity of the Leader of the House, but I agree with my hon. Friend the Member for Stone (Mr. Cash) that it used to be a long-standing convention that the Leader of the House would stick up for the

rights of Back Benchers, even if that made him or her unpopular with their Cabinet. However, that convention seems to have gone by the wayside. I recall that when the late John Biffen was Leader of the House, he made himself very unpopular as a member of the Government and with the then Prime Minister for sticking up for and performing the traditional role of the Leader of the House, to which my hon. Friend the Member for Stone has referred. I am sorry that the current Leader of the House is no longer here.

Sir Robert Smith: Is it not important to reinforce the point that it should be this House that finishes the business, because it is this House that has experienced the lack of accountability and the lack of scrutiny of the Government and wants to deliver that change, not a newly elected House that has yet to experience those failings?

Mr. Chope: Exactly. That is why we are all suspicious about what is to happen.

I listened carefully to what my right hon. Friend the Member for North-West Hampshire (Sir George Young) said, and I did not think that his words were as strong an assurance as the words of the Leader of the House that I just quoted.

Martin Salter: Given the appalling collusion that appears to have taken place—my hon. Friend the Member for Cannock Chase (Dr. Wright) has proof positive of it—does the hon. Gentleman agree that Members who want to drive the agenda forward have no option but to vote down the business motion? Will he organise on his Benches to ensure that that happens?

Mr. Chope: If there is a Division, I shall certainly be in the No Lobby, and I hope that all those who want to stand up for the rights of Back Benchers will be there with me. The roof will not fall in on Parliament if the motion is voted down; the usual channels will simply have to get together and produce very quickly an alternative business motion—one that takes account of the expressed wish of the House.

Martin Salter: I thank the hon. Gentleman for his patience. Does he agree that we would not even have to go that far? The Government merely need to announce that they are prepared to table a revised business motion. If they did so, we could avoid an unseemly bun fight and an unseemly Division, and not detain hon. Members here too late tonight. We could certainly find the hour necessary in the plenty of time available on Thursday.

Mr. Deputy Speaker: Order. I assure the hon. Gentleman that there will be no unseemly bun fight while I am in the Chair.

Mr. Chope: That intervention conveniently brings me to a proposition that I was going to make. The Leader of the House has said that the reason she is not prepared to table a motion on the Back-Bench business committee Standing Orders is that there is not sufficient time. I am the Member who tabled 15 amendments to the Sustainable Communities Act 2007 (Amendment) Bill. I hope that, when she replies to the debate, the Deputy Leader of the House will respond to this offer, which I make publicly.

I am not part of the usual channels—not part of the carve-up—but I would be prepared to withdraw all my amendments to that Bill, thereby ensuring that we did not have to spend an hour discussing them tomorrow and that we therefore had an hour to discuss the Standing Orders relating to the business of the House and Back Benchers' access to the Order Paper. I would be happy to give way to the hon. Lady if she thinks that that offers a reasonable way through the present impasse. We are told that the Leader of the House really wants to deliver, but is being held back; well, I am offering, in effect, one hour of time for that purpose, because I think that those Standing Orders are much more important than even the Sustainable Communities Act 2007 (Amendment) Bill.

Mr. John Redwood (Wokingham) (Con): We have living proof of the need for the motion in the shambles giving no time for proper consideration. Is my hon. Friend of my opinion that never before has the House been asked to take the Second Reading of a big, contentious Bill, the Finance Bill, and Committee stage and all remaining stages of another big, contentious Bill, the Digital Economy Bill, on the same day, with lots of other business tabled as well? Is that not complete chaos?

Mr. Chope: My right hon. Friend is absolutely right. The sad thing is that, as was said at the beginning of the debate, the business motion is based on agreement between the two Front Benches. I find that difficult. The hon. Member for Oxford, West and Abingdon (Dr. Harris) said that there was a carve-up between the Labour and Conservative parties, but I disagree; I think there was a carve-up between the Government and the shadow Government, which is a very different proposition.

Mr. Cash: Does my hon. Friend recall the number of people—if not the precise number, certainly the volume—who guaranteed that the matters that we are now discussing should go through when there was, on the face of it, a convergence of view between the two Front Benches? The view of the House as a whole was carried by a very substantial number of Members, who may not be in the Chamber at the moment but who would be enraged by what is going on.

Mr. Chope: My hon. Friend is absolutely right. It is sad that not more Members are present, but that is probably because many take the view that there has been a carve-up and there is nothing they can do to influence it. However, it sounds as though, even as we speak, momentum is gathering behind those who will oppose the business motion, because that is the only way of getting across to the Government the strength of feeling among Back Benchers.

Let me say a little about the Sustainable Communities Act 2007 (Amendment) Bill and the relevant provision in the business motion, which I think is without precedent, although I may be wrong about that. Paragraph 14 of the motion states:

"The Order made on Friday 12 March 2010 that the Sustainable Communities Act 2007 (Amendment) Bill be considered on Friday 23 April 2010 shall be discharged; and, notwithstanding the practice of the House which forbids the bringing forward of an Order of the Day, the Bill, as amended in the Public Bill Committee, shall be considered tomorrow."

[Mr. Chope]

That drives a coach and horses through the conventions of the House and procedures relating to a private Member's Bill. Many is the private Member who has made a judgment on the best day for their Bill to appear on the Order Paper; they cannot bring forward the Bill for discussion on an earlier date than the one on the Order Paper. My hon. Friend the Member for North-East Bedfordshire (Alistair Burt), in putting his Bill on the Order Paper for 23 April, was essentially indicating to the world at large that further discussion of his Bill was not going to take place.

Mr. Cash: The Chief Whip has just come in.

Mr. Chope: As we are in the business of breaking conventions, perhaps the Chief Whip would like to participate in this debate and account for the behaviour of his predecessor, the right hon. Member for North-West Durham, to which the hon. Member for Cannock Chase referred.

The Sustainable Communities Act 2007 (Amendment) Bill has not been through the other House and has not completed its Report stage. If the Government wanted the Bill to have more time, they could have given time for consideration: on many days in the 10 days before the short Easter recess, the House rose three or four hours before the appointed hour. In that time, we could have discussed that and other private Members' Bills, but the Government were against that. Going further back, I recall that the Government and Opposition Front Benchers voted down an amendment tabled by my hon. Friend the Member for Wellingborough (Mr. Bone) that would have allowed an extra Friday for debating private Members' Bills. Now, we are faced with the Government saying that the Bill is so important that it has to be passed with indecent haste. They are putting tremendous pressure on the other place, which will have to consider Second Reading and all remaining stages of two Bills within 24 hours, even though, I submit, there is nothing especially important about either of them.

I conclude with a point about the speciousness of the argument advanced by the Leader of the House. She said that because there were amendments tabled to the Sustainable Communities Act 2007 (Amendment) Bill, that can be debated, but although, similarly, there are amendments tabled to the Standing Orders motion, they cannot go through. We cannot have that sort of inconsistency in the argument. It is perfectly sustainable to argue that the fact that amendments have been tabled to a measure means that the measure is blocked and should not go into the wash-up, but that does not fit in with the arguments made in relation to the Sustainable Communities Act 2007 (Amendment) Bill.

Mr. Cash: Has my hon. Friend noticed that there is a certain buzzing among the Whips? The hornets' nest is now opening up. Following the remarks made by him, by Liberal Democrat Members, by some Conservative Members, and by Labour Members, particularly the hon. Member for Cannock Chase (Dr. Wright), there is a real buzz going on. Hopefully, this debate will turn into a substantial vote.

Mr. Chope: There is obviously going to be a Division. I know that at least two more Liberal Democrat Members want to speak. My hon. Friend has perhaps picked up on a feeling that the powers that be may want to move a closure motion—the Chief Whip is nodding—but one of the consequences of such a move is that it absolves the Deputy Leader of the House from having to answer any of the points raised in the debate. It is a very convenient procedural device to close down Back-Bench discussion. I will resume my seat in the hope that the Government Chief Whip, in one of his last acts in this House, will exercise some self-restraint, and will allow the other two Members who have been seeking to catch your eye, Mr. Deputy Speaker, to participate in the debate. I am sure that I will be surprised.

David Howarth: On a point of order, Mr. Deputy Speaker. In light of the revelations by the hon. Member for Cannock Chase (Dr. Wright), I wonder whether it might be in order to move a manuscript amendment to the motion. The manuscript amendment would read,

"To add at end:

() that the motion Backbench Business (Amendment of Standing Orders) standing in the name of Ms Harriet Harman be hereby passed unamended and the Standing Orders be amended accordingly."

The effect would be to end this debate now, to pass the Standing Order, and to allow us to get on with it.

Mr. Deputy Speaker: Order. In the circumstances, I am afraid that, at this stage, I am not prepared to accept a manuscript amendment to a motion that has previously been tabled.

The Parliamentary Secretary to the Treasury (Mr. Nicholas Brown) *claimed to move the closure (Standing Order No.36).*

Question put forthwith, That the Question be now put.

The House divided: Ayes 238, Noes 36.

Division No. 129] **[2.2 pm**

AYES

Abbott, Ms Diane	Butler, Ms Dawn
Alexander, rh Mr. Douglas	Byrne, rh Mr. Liam
Anderson, Mr. David	Caborn, rh Mr. Richard
Anderson, Janet	Cairns, David
Austin, Mr. Ian	Campbell, Mr. Alan
Austin, John	Cawsey, Mr. Ian
Bailey, Mr. Adrian	Challen, Colin
Bain, Mr. William	Chapman, Ben
Baird, Vera	Clapham, Mr. Michael
Balls, rh Ed	Clark, Paul
Barron, rh Mr. Kevin	Clarke, rh Mr. Charles
Battle, rh John	Clarke, rh Mr. Tom
Bayley, Hugh	Clelland, Mr. David
Beckett, rh Margaret	Clwyd, rh Ann
Begg, Miss Anne	Coaker, Mr. Vernon
Benton, Mr. Joe	Coffey, Ann
Berry, Roger	Cohen, Harry
Betts, Mr. Clive	Cooper, Rosie
Blackman, Liz	Cooper, rh Yvette
Blunkett, rh Mr. David	Corbyn, Jeremy
Bradshaw, rh Mr. Ben	Cousins, Jim
Brennan, Kevin	Crausby, Mr. David
Brown, Lyn	Creagh, Mary
Brown, rh Mr. Nicholas	Cryer, Mrs. Ann
Browne, rh Des	Cummings, John
Bryant, Chris	Cunningham, Tony
Burden, Richard	Davidson, Mr. Ian
Burgon, Colin	Dean, Mrs. Janet

Dismore, Mr. Andrew
Dobbin, Jim
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Field, rh Mr. Frank
Fitzpatrick, Jim
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffiths, Nigel
Hall, Mr. Mike
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonnell, John
McFadden, rh Mr. Pat
McKechin, Ann
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Mitchell, Mr. Austin
Mole, Chris
Morden, Jessica
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Ruddock, Joan
Russell, Christine
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Snelgrove, Anne
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Dr. Richard
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Ward, Claire
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mr. Bob Blizzard and Mrs. Sharon Hodgson

NOES

Barrett, John
Beith, rh Sir Alan
Burstow, Mr. Paul
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Cash, Mr. William
Chope, Mr. Christopher
Davey, Mr. Edward
Davies, Mr. Dai
Durkan, Mark
Foster, Mr. Don
Gale, Mr. Roger
Hancock, Mr. Mike
Harris, Dr. Evan
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Hunter, Mark
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Knight, rh Mr. Greg
Leech, Mr. John
MacNeil, Mr. Angus
Mason, John
McCrea, Dr. William
Oaten, Mr. Mark
Redwood, rh Mr. John
Robinson, rh Mr. Peter
Russell, Bob
Simpson, David
Taylor, Matthew
Thurso, John
Turner, Mr. Andrew
Weir, Mr. Mike
Wilson, Sammy

Tellers for the Noes:
Sir Robert Smith and John Hemming

Question accordingly agreed to.
Main Question put accordingly.
The House proceeded to a Division.

Mr. Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 314, Noes 49.

Division No. 130] **[2.15 pm**

AYES

Abbott, Ms Diane
Afriyie, Adam
Alexander, rh Mr. Douglas
Ancram, rh Mr. Michael
Anderson, Mr. David
Anderson, Janet
Arbuthnot, rh Mr. James
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Barker, Gregory
Baron, Mr. John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bellingham, Mr. Henry
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive

Blackman, Liz
Blunkett, rh Mr. David
Boswell, Mr. Tim
Bradshaw, rh Mr. Ben
Brady, Mr. Graham
Brazier, Mr. Julian
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Brown, rh Mr. Nicholas
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clappison, Mr. James
Clark, Greg
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cormack, Sir Patrick
Cousins, Jim
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Tony
Curry, rh Mr. David
Davidson, Mr. Ian
Davis, rh Mr. David
Dean, Mrs. Janet
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobbin, Jim
Doran, Mr. Frank
Dowd, Jim
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Evennett, Mr. David
Fabricant, Michael
Field, rh Mr. Frank
Fitzpatrick, Jim
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Garnier, Mr. Edward
Gauke, Mr. David
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Goodwill, Mr. Robert
Green, Damian
Grieve, Mr. Dominic
Griffiths, Nigel
Hall, Mr. Mike
Hamilton, Mr. David
Hammond, Mr. Philip
Hands, Mr. Greg
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Herbert, Nick
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoban, Mr. Mark
Hoon, rh Mr. Geoffrey
Hope, Phil
Howard, rh Mr. Michael
Howarth, rh Mr. George
Howell, John
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jack, rh Mr. Michael
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Key, Robert
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kirkbride, Miss Julie
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Laxton, Mr. Bob
Lazarowicz, Mark
Leigh, Mr. Edward
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lewis, Dr. Julian
Lidington, Mr. David
Linton, Martin
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
Mackay, rh Mr. Andrew
Mactaggart, Fiona
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
Maude, rh Mr. Francis
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McFadden, rh Mr. Pat
McIntosh, Miss Anne
McKechin, Ann
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Mole, Chris
Morden, Jessica
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Neill, Robert
Norris, Dan
O'Brien, rh Mr. Mike
O'Brien, Mr. Stephen
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Randall, Mr. John
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, John
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Ruddock, Joan
Russell, Christine
Sarwar, Mr. Mohammad
Seabeck, Alison
Selous, Andrew
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Snelgrove, Anne
Soames, Mr. Nicholas
Spellar, rh Mr. John
Spicer, Sir Michael
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Mr. Ian
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Walley, Joan
Waltho, Lynda
Ward, Claire
Watkinson, Angela
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Mr. Rob
Winnick, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Winterton, rh Ms Rosie

Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wyatt, Derek
Young, rh Sir George

Tellers for the Ayes:
Mr. Bob Blizzard and
Mrs. Sharon Hodgson

NOES

Barrett, John
Beith, rh Sir Alan
Burstow, Mr. Paul
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Cash, Mr. William
Chope, Mr. Christopher
Corbyn, Jeremy
Davey, Mr. Edward
Davies, Mr. Dai
Donaldson, rh Mr. Jeffrey M.
Drew, Mr. David
Flynn, Paul
Foster, Mr. Don
Gale, Mr. Roger
Grogan, Mr. John
Hancock, Mr. Mike
Harris, Dr. Evan
Hoey, Kate
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Hunter, Mark
Jackson, Glenda
Jenkin, Mr. Bernard
Jones, Lynne
Keetch, Mr. Paul
Knight, rh Mr. Greg
Leech, Mr. John
MacNeil, Mr. Angus
Malins, Mr. Humfrey
Mason, John
McCrea, Dr. William
McDonnell, John
Oaten, Mr. Mark
Prentice, Mr. Gordon
Price, Adam
Redwood, rh Mr. John
Robinson, rh Mr. Peter
Russell, Bob
Simpson, David
Taylor, Matthew
Taylor, Dr. Richard
Thurso, John
Weir, Mr. Mike
Wilson, Sammy
Winterton, Ann

Tellers for the Noes:
Sir Robert Smith and
John Hemming

Question accordingly agreed to.

Ordered,

That the following provisions shall have effect—

Sittings on 7 and 8 April: general

1. At the sittings today and tomorrow—

(1) any Motion made by a Minister of the Crown may be proceeded with, though opposed, until any hour, and shall not be interrupted under any Standing Order relating to the sittings of the House;

(2) any Lords Amendments or Lords Message in respect of any Bill may be considered forthwith without any further Question being put;

(3) Standing Orders Nos. 83D to 83H and 83I(2), (3) and (6) (conclusion of proceedings, &c.) shall apply to proceedings to be taken in accordance with this Order (but with the omission of Standing Orders Nos. 83D(2)(c) and 83E(2)(c));

(4) notices of Amendments, new Clauses or new Schedules to be moved in Committee on any Bill may be accepted by the Clerks at the Table before the Bill has been read a second time; and

(5) Standing Order No. 41A (Deferred divisions) shall not apply.

Wednesday 7 April

2. At today's sitting the following business shall be brought to a conclusion (unless already concluded) at the time after its commencement shown in brackets at the end of each sub-paragraph—

(1) proceedings on consideration and Third Reading of the Bribery Bill [*Lords*] (one hour);

(2) Committee of the whole House and remaining proceedings on the Northern Ireland Assembly Members Bill [*Lords*] (one hour);

(3) proceedings on the Motion in the name of Secretary Alan Johnson relating to the draft Misuse of Drugs Act 1971 (Amendment) Order 2010 (one hour);

(4) proceedings on consideration and Third Reading of the Debt Relief (Developing Countries) Bill (one hour);

(5) any Motion made by a Minister of the Crown for the bringing in of an Appropriation Bill, presentation and First Reading of any Bill brought in in pursuance of that Motion and remaining proceedings on any such Bill, to which Standing Order No. 56 (Consolidated Fund Bills) shall apply (forthwith);

(6) Second Reading and remaining proceedings on the Finance Bill (three hours); and

(7) Committee of the whole House and remaining proceedings on the Digital Economy Bill [*Lords*] (two hours).

3. Proceedings on any Lords Amendments or Lords Message in respect of any Bill which are taken at today's sitting shall be brought to a conclusion (unless already concluded) one hour after their commencement.

4. Paragraph 2(3) shall have effect notwithstanding Standing Order No. 16 (Proceedings under an Act or on European Union documents).

5. Paragraph 2(6) shall have effect notwithstanding the practice of the House as to the intervals between stages of a Bill brought in upon Ways and Means Resolutions.

6. If the Finance Bill is read a second time, it shall stand committed to a Committee of the whole House and the House will immediately resolve itself into a Committee on the Bill.

7. If, on the conclusion of proceedings in Committee on the Northern Ireland Assembly Members Bill [*Lords*], the Finance Bill or the Digital Economy Bill [*Lords*], the Bill is reported with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

8. At today's sitting, the Speaker shall not adjourn the House until any Messages from the Lords have been received and any Committee to draw up Reasons has reported.

Thursday 8 April

9. At tomorrow's sitting proceedings on consideration and Third Reading of the Sustainable Communities Act 2007 (Amendment) Bill shall be brought to a conclusion (unless already concluded) one hour after their commencement.

10. Proceedings on any Lords Amendments or Lords Message in respect of any Bill which are taken at tomorrow's sitting shall be brought to a conclusion (unless already concluded) one hour after their commencement.

11. At tomorrow's sitting, the Speaker shall not adjourn the House before a Message has been received from the Lords Commissioners.

12. On Thursday 8 April there shall be no sitting in Westminster Hall.

General

13. Standing Order No. 82 (Business Committee) shall not apply in relation to any proceedings to which this Order applies.

14. The Order made on Friday 12 March 2010 that the Sustainable Communities Act 2007 (Amendment) Bill be considered on Friday 23 April 2010 shall be discharged; and, notwithstanding the practice of the House which forbids the bringing forward of an Order of the Day, the Bill, as amended in the Public Bill Committee, shall be considered tomorrow.

15. A reference in this Order to proceedings on or in respect of a Bill includes a reference to proceedings on any Money Resolution, Ways and Means Resolution or Order of Consideration Motion in relation to those proceedings.

16. The Speaker may not arrange for a debate to be held in accordance with Standing Order No. 24 (emergency debates) at today's sitting, or at tomorrow's sitting, before the conclusion of the proceedings at that sitting to which this Order applies.

17. If today's sitting continues after 10.30 am on Thursday 8 April, this Order shall have effect as if any reference to the sitting on Thursday 8 April were a reference to today's sitting.

Bribery Bill [*Lords*]

Consideration of Bill, as amended in the Public Bill Committee

Clause 10

CONSENT TO PROSECUTION

2.31 pm

Mr. Jonathan Djanogly (Huntingdon) (Con): I beg to move amendment 1, page 6, line 28, leave out paragraphs (a) to (c) and insert 'the Attorney General'.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following: Amendment 2, page 6, line 33, leave out paragraphs (a) and (b) and insert 'the Attorney General'.

Government amendment 7.

Mr. Djanogly: Under the existing law, prosecutions for bribery cannot be commenced without the consent of the Attorney-General. As drafted, the Bill would give that power to the Director of Public Prosecutions, the director of the Serious Fraud Office or the director of Revenue and Customs prosecutions in England and Wales.

The constitutional position of the Attorney-General, as the individual making prosecution decisions, is enshrined in more than 100 years of parliamentary convention. Our concern remains that if we are to realign the role of the Attorney-General, it should be following a full discussion in the widest context. The Government had a vehicle to allow a full debate on that and many other matters in the Constitutional Reform and Governance Bill, but they did not make use of it. We remain concerned that this Bill's tweaking of the Attorney-General's role is simply putting off the necessary wider debate on it.

David Howarth (Cambridge) (LD): Perhaps this provides the hon. Gentleman with an opportunity to clear up a puzzle that has been on my mind throughout our debates. What is his party's position on the wider debate about the Attorney-General's role?

Mr. Djanogly: We touched on that in Committee, but from looking at the amendments, I do not believe that it is an appropriate debate to have now.

We also had concerns, as reflected in amendments 1 and 2, that in delegating powers to the directors of the prosecuting agencies, there was a danger that we would lose the opportunity for parliamentary accountability. We voiced those concerns in Committee and emphasised the lack of accountability that could arise if the directors, were the decision-makers rather than the Attorney-General. Those concerns were compounded by the fact the directors themselves could delegate such powers to subordinates in their organisation.

That latter concern will be partly resolved by Government amendment 7, which we intend to accept. It is intended to ensure that the prosecutorial power in the hands of the directors of the SFO, HMRC and the DPP cannot easily be delegated to others within those organisations. Given that the volume of cases that reach prosecution each year is, I am told, in the region of only 20, and that the Government predict a rise in that number of only some 1.3 cases a year, we do not believe that the delegation of that important power would be appropriate, except in the most limited circumstances.

However, even with the Government amendment, we could confuse the lines of authority unless care is taken. By that, I mean that we will now have three people fulfilling a role that has previously been occupied by only one—the Attorney-General. With that increase in numbers comes the potential for conflicting prosecution policies to develop. Business and prosecutors can ill afford that if the vital need for certainty and precedent is to be upheld. We have argued that we must drive for consistency and clarity in the Bill so that the parameters of offences are clearly demarcated. Such clarity will help to ensure compliance. Little that we heard in Committee, or from various other sources, suggests that we have yet given adequate thought to the matter or put in place adequate procedures to ensure that overlap does not occur.

Of course, the matter would have been even more problematic if the directors were able to delegate down the chain of their own organisations, essentially multiplying the number of prosecutorial policies that could be followed. The Government have therefore gone some way to removing our fears through their amendment. We heard from the Minister in Committee that protocols now exist between the directors and the Attorney-General that govern the accountability of their decision making, and we will have to see how those protocols work. Although the Government amendment strengthens the position by preventing the decision-making powers from being passed down the chain, diluting accountability further, we feel that it may not go far enough.

I end by confirming that ensuring that we have a clear and workable uniform prosecution policy across the three organisations will be a priority for a Conservative Government.

David Howarth: It is a shame that the hon. Member for Huntingdon (Mr. Djanogly) was not able to answer my question about the overall position of the Attorney-General, because it is important to have that clear. It is why I oppose amendment 1.

My view—I wanted to express it during the debates on the Constitutional Reform and Governance Bill but the relevant amendments were not reached—is that the Attorney-General should not have a direct role in prosecution decisions about whether individual people are prosecuted across the board, not just in the area in question but in all areas. That originally appeared to be the Government's position, but for reasons that remain obscure because we did not have a proper debate, the Government moved away from that position and moved instead simply to having a non-legally enforceable protocol between the Attorney-General and the three directors whom the hon. Gentleman mentioned.

One question that remains is how that protocol will apply, because assuming that Government amendment 7 is agreed to, the Attorney-General will still have a superintendence power over the director of the SFO. To make it absolutely clear, in the case of the SFO, that power applies not just to decisions on whether to prosecute but to decisions on whether to investigate. It is much broader than the power over the other directors. It was in that regard that all the trouble broke out about the BAE Systems case. The use of that power was threatened—

although in the end it was technically never used—to induce the director of the SFO to call off the investigation of the BAES company's activities in Saudi Arabia with regard to the al-Yamamah case. That problem remains.

Amendment 1, tabled by the hon. Member for Huntingdon, would make the situation worse. It would replace superintendence with a direct decision-making power over investigations. I say to him—he knows this, as we discussed it in Committee—that that position has been fundamentally questioned internationally by the OECD and by respected international non-governmental organisations such as Transparency International. Confidence in the independence of a prosecution system is absolutely crucial to the main task of the Bill, which is to restore this country's reputation as one that fights corruption. That reputation has been tarnished by the events concerning the dealings of BAES in Saudi Arabia. If we go down his route, we will not succeed in restoring this country's reputation; we will continue with the present situation, in which we are slipping down the league, in terms of our international standing in the fight against corruption. However, it sounded like he was going to withdraw his amendment in favour of the Government amendment, which I hope is the case, because his amendment would be very damaging.

I turn briefly to the Government amendment. To paraphrase Douglas Adams, this amendment is mostly harmless. As the hon. Gentleman explained, it states that in cases where the director's discretion is engaged, the decision should be taken personally, as far as is practically possible, rather than delegated. As he said, at the moment, the number of cases concerned is quite small, so, in present circumstances, no great practical difficulty would be imposed on a director by the Government amendment.

I have one concern, however, about what will happen if there is an increase in the amount of work being done in this area. We all hope that an increase in work is not necessary because the Bill, when passed, will deter those who seek to make or receive bribes from doing so. However, it seems that there is a risk. One of the purposes of the Bill is to clarify the law, and it does that, which is why it is a good Bill and I support it. When passed, however, it might have one of two effects: it might make clearer to potential offenders what they should not do and result, therefore, in their not doing it, or—this is quite possible, and is part of the intention—it might make it easier for prosecutors to get a case together and bring it against offenders. If that is the route we take, we will end up with more cases, and I have a slight doubt about whether it is plausible in the longer term to use a director's personal discretion if there are 10 times more cases than now. However, with that caveat, I am happy not to oppose the Government amendment and very much urge the hon. Member for Huntingdon to withdraw amendment 1. If he does not, I shall oppose it.

The Parliamentary Under-Secretary of State for Justice (Claire Ward): We had a good opportunity in Committee to debate the important issues relating to consent to prosecution. The hon. Member for Huntingdon (Mr. Djanogly) argued in Committee, as he has done here, that the offences under the Bill are sufficiently serious to justify vesting responsibility for consenting to a prosecution to the Attorney-General rather than to the director of the relevant prosecuting authority.

Under existing prevention of corruption Acts, consent to prosecution is given by the Attorney-General, but those Acts were passed a century or more ago when there was no Director of Public Prosecutions or Serious Fraud Office. We are repealing those outdated Acts and starting with a clean sheet. In doing so, it is right and proper that we consider objectively whether consent to prosecution should be given by the Attorney-General or by the director of the relevant prosecuting authority. We have a choice that our predecessors did not have in 1889 and 1906.

The offences in the Bill will cover a wide range of conduct. I agree that some will be very serious, but others will be less so. On any objective examination of the issue, the offences in this Bill are not ones that require the Attorney-General's consent. To the extent that any given case engages issues of national security, the Attorney-General's superintending powers are such as to enable her to intervene. The hon. Member for Cambridge (David Howarth) is correct to highlight that.

2.45 pm

I accept, however, that the question of whether to consent to a prosecution for one of the offences in the Bill can give rise to more difficult and sensitive considerations than is normally the case. For this reason, I see an argument for special arrangements to apply in this instance. Government amendment 7 would therefore require that the function of consenting to a prosecution must be exercised personally by the director of the relevant prosecuting authority, and a director would not be able to delegate the function to other prosecutors.

That said, of course we need to make some provision for the function to be exercised where the director is unavailable—for example, if the director was incapacitated or out of the country for a considerable number of days. The amendment therefore enables the DPP, the director of the Serious Fraud Office and the director of Revenue and Customs Prosecution Office to nominate another person to act when the director is unavailable. In the case of the DPP for Northern Ireland, the amendment preserves the position whereby the deputy director has all the powers of the DPP, but neither the director nor deputy director will be able to delegate the consent function under the Bill to another person.

I welcome the comments by the hon. Member for Huntingdon that he is looking favourably upon Government amendment 7 and the similar views expressed by the hon. Member for Cambridge on behalf of the Liberal Democrats. We believe that the amendment is an equitable middle way on the issue, and on that basis I commend it to the House.

Mr. Djanogly: My comments and those of the hon. Member for Cambridge (David Howarth) reflect what we believe is a need for a wider debate on the role of the Attorney-General, but I must say to him that today is not the time or place for such a debate. I say to the Liberal Democrats that, just because the OECD and other states do not have an Attorney-General, or do not like the idea of having one, does not, to my mind, make the role of the Attorney-General redundant. I say to the Minister as well that, just because the Attorney-General has been there for 100 years, does not mean that the role is redundant. However, given where we are in the parliamentary timetable, we have decided not to request

[Mr. Djanogly]

a Division on amendments 1 and 2, and we will be supporting the Government on amendment 7. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment made: 7, page 6, line 35, leave out subsections (3) to (5) and insert—

'(3) No proceedings for an offence under this Act may be instituted in England and Wales or Northern Ireland by a person—

(a) who is acting—

(i) under the direction or instruction of the Director of Public Prosecutions, the Director of the Serious Fraud Office or the Director of Revenue and Customs Prosecutions, or

(ii) on behalf of such a Director, or

(b) to whom such a function has been assigned by such a Director,

except with the consent of the Director concerned to the institution of the proceedings.

(4) The Director of Public Prosecutions, the Director of the Serious Fraud Office and the Director of Revenue and Customs Prosecutions must exercise personally any function under subsection (1), (2) or (3) of giving consent.

(5) The only exception is if—

(a) the Director concerned is unavailable, and

(b) there is another person who is designated in writing by the Director acting personally as the person who is authorised to exercise any such function when the Director is unavailable.

(6) In that case, the other person may exercise the function but must do so personally.

(7) Subsections (4) to (6) apply instead of any other provisions which would otherwise have enabled any function of the Director of Public Prosecutions, the Director of the Serious Fraud Office or the Director of Revenue and Customs Prosecutions under subsection (1), (2) or (3) of giving consent to be exercised by a person other than the Director concerned.

(8) No proceedings for an offence under this Act may be instituted in Northern Ireland by virtue of section 36 of the Justice (Northern Ireland) Act 2002 (delegation of the functions of the Director of Public Prosecutions for Northern Ireland to persons other than the Deputy Director) except with the consent of the Director of Public Prosecutions for Northern Ireland to the institution of the proceedings.

(9) The Director of Public Prosecutions for Northern Ireland must exercise personally any function under subsection (2) or (8) of giving consent unless the function is exercised personally by the Deputy Director of Public Prosecutions for Northern Ireland by virtue of section 30(4) or (7) of the Act of 2002 (powers of Deputy Director to exercise functions of Director).

(10) Subsection (9) applies instead of section 36 of the Act of 2002 in relation to the functions of the Director of Public Prosecutions for Northern Ireland and the Deputy Director of Public Prosecutions for Northern Ireland under, or (as the case may be) by virtue of, subsections (2) and (8) above of giving consent.'.—*(Claire Ward.)*

Third Reading

2.48 pm

Claire Ward: I beg to move, That the Bill be now read the Third time.

This Bill will bring about a much-needed overhaul of our criminal law as it applies to bribery. With the Bill on the statue book, we can be proud that United Kingdom law in this area will provide a benchmark for other countries, and with it this country will set the gold standard—I used that term in Committee—for our international comparators. The Bill will help to promote high ethical standards in business and public life, in this country and abroad, and will send a clear message that bribery in all its manifestations will not, and should not, be tolerated.

The Bill will be good for business; often commercial organisations bear the burden of the added costs of doing business in countries where bribery is prevalent. The Bill will also be good for developing countries by helping to ensure that aid and trade benefits those whom it is intended to benefit, and not corrupt officials. The Bill will be good for this country's international reputation, by demonstrating our ongoing commitment to upholding high standards of probity in business and public life. Finally, the Bill will be good for Parliament, demonstrating the value of pre-legislative scrutiny in forging a broad consensus for reform. The Bill has taken a considerable time finally to reach this point, but I believe that it has achieved a broad consensus across the House and that, in reaching that consensus, this House has produced a Bill that is worthy of setting that gold standard.

I want to take this opportunity to thank all those, particularly in the business sector, who have been available for discussion and to ensure that we had an opportunity to get the Bill right. I also want to thank Opposition parties for their co-operation—for the most part—and those of my officials who have ensured the smooth progression of the Bill. I am grateful to hon. Members for helping us to build what has generally been a consensus, which has now brought the Bill to the threshold of Royal Assent. I am proud, as the Member of Parliament for Watford and as a Minister, to have brought the Bill through to Royal Assent. On that basis I commend it to the House.

2.51 pm

Mr. Djanogly: Bribery is a crime that undercuts competitiveness, derails honest companies and distorts the marketplace. Those who bribe and those who are bribed, whether in commercial organisations or governmental institutions, are thereby diminished by their actions, such that their legitimacy is called into question and the confidence of consumers and the public is weakened. Bribery also undermines the societies in which bribes are made.

With this Bill, Parliament is no longer accepting the excuse of local practice; rather, it is tying our flag to the highest levels of intentional probity. This is welcomed by the Conservatives. However, it is clear that in recent years, under this Labour Government's watch, the UK has fallen behind the standards of combating bribery that we have seen in other western countries, and our reputation has not been improved as a result. Conservatives therefore fully back the Bill and, in particular, are pleased that its implementation will finally make the UK compliant with the 1997 OECD anti-bribery convention. Notwithstanding our unhappiness with the delayed process, we have supported the Bill throughout the course of its journey through Parliament.

Without doubt, the outstanding feature of the Bill has been the delay in its arrival. Plans to update and rework our patchwork of antiquated laws have been mooted since the mid-1990s. As far back as 1998, the

Law Commission reviewed the UK's corruption laws and formulated a draft Bill that was designed to replace all or parts of the existing relevant legal provisions on corruption and, at the same time, incorporate the common law offence of bribery. What followed was an almost pantomime-like to-ing and fro-ing by the Government when, until recently and in the dying days of this Parliament, we were presented with this Bill. The unacceptable rush that we faced to push the Bill through, in only a few weeks, is hardly an example of thoughtful or effective government.

The Bill before us today is largely based on a set of proposals developed by the Law Commission, in its 2008 report entitled "Reforming Bribery", which has subsequently been reviewed in this House and the other place. The debate in the other place focused mainly on the legal aspects of the Bill, while we attempted in Committee to stress test the practical application of certain provisions in the Bill. The sum total is a Bill that we generally think is considered and well thought out. It is a Bill that I hope will provide a coherent and comprehensive framework of criminal law—one that makes it abundantly clear that bribery has no place in this country and that it will not be tolerated in our commercial or other dealings with the rest of the world.

However, as rushed as the Bill has been, it is vital that it should be implemented only after full consultation with business and the preparation of appropriate guidance. We were pleased to receive the Minister's assurances on that point in Committee. Although we have decided not to move further amendments, providing for a business advisory service, this is certainly an area that we will wish to explore further in government, even if on a non-statutory basis.

David Howarth: The hon. Gentleman will remember from Committee that I thought that he was on to quite a good idea with that proposal, although how it would work is a different question. However, will he go further and take up the points, which I was sorry to see him take up in Committee in the way that he did, about facilitation payments and other forms of bribery that have euphemistic names?

Mr. Deputy Speaker: Order. I hate to intervene on the hon. Gentleman so late in his career in this House, but he is inviting the hon. Member for Huntingdon (Mr. Djanogly) to go outside the scope of the Third Reading debate.

Mr. Djanogly: I take your advice on such matters, Mr. Deputy Speaker.

We welcome the Government amendment today, which will ensure that the prosecutorial power held in the hands of the directors of the Serious Fraud Office and Her Majesty's Revenue and Customs, and the Director of Public Prosecutions cannot easily be delegated to others in those organisations. We did not believe that the delegation of that important power would be appropriate in all but the most limited circumstances.

The debate that has been had on the Bill has shone a light on the extent to which improper behaviour can so easily pervade business affairs. In an international context, it seems that the old adage, "When in Rome", has applied all too readily to acts of bribery in foreign lands. The Bill will place the UK at the head of a groundswell of international opinion that states that such behaviour will not be permitted; yet Conservatives believe that this should be seen only as the beginning, and not as the end of the process. The Bill is but one weapon in an arsenal to arm the UK in the fight against corruption. It will provide a framework of offences, but it will not, in itself, action anti-corruption measures. The Bill will not, in itself, issue prosecutions, create a healthy modern corporate culture or ensure that British companies are not undermined internationally by corrupt foreign competitors. In recent weeks the SFO has publicly announced cases in which it is investigating alleged acts of corruption. It must be hoped that the Bill will give the SFO and other prosecutors in future the necessary clarity to increase those investigations.

We decided not to move our amendments to provide for an annual strategy report, but the proper allocation of resources, and the monitoring of the Bill's implementation and development over the coming years will be important to ensure that it is up to the challenge of ensuring that the UK meets and beats global corruption in a way that has been seriously lacking during Labour's time in government. There is a large corporate responsibility role for business in playing its part too, and the next Conservative Government look forward to working with business on implementing this important agenda for Britain.

2.57 pm

David Howarth: I, too, very much welcome the Bill. The hon. Member for Huntingdon (Mr. Djanogly) is right to say that it has taken a long time to reach this stage, although he is not right to say that the Bill has been particularly rushed, given the vast amount of discussion about previous versions of the reform, both in the Joint Committee of both Houses and in the other place. Although some Bills in the wash-up have been ill-served by the process, I am not particularly concerned about the amount of scrutiny that this Bill has had. We have come out with a good Bill.

The hon. Gentleman is also right that the most important purpose of the Bill is to restore this country's reputation, which was affected badly by some recent bribery cases. It remains to be seen whether the Government—whichever Government we have after the election—will still be fully committed to the fight against bribery. Using the tools that the Bill provides, it will be easier for prosecutors to build their cases, but they will be able to do so only if the Government—whoever they are—provide them with the resources that they need. However, it remains the case that the Government currently do not fund the SFO directly for its corruption work. Rather, the SFO is using resources from other parts of its funding to take that work forward. That must change. Equally, it is not right for the SFO to have to ask the Government for case-by-case funding—that is a constitutional matter that needs to be changed—although the underlying fact is that there will be an improvement for the SFO under the terms of the Bill.

The old law was extremely confusing. The idea that, in some circumstances, possibly—it was never entirely clear—a principal agent relationship needed to be established before a bribery offence could be proven always seemed entirely unjustified to people in the field. In fact, that is why there were many cases in which it was stated that that relationship was not required. The

[David Howarth]

Bill makes it entirely clear that the old law relating to principal and agent has gone, whatever doubts there might have been about it, and that new, clear definitions of bribery have now been included in the law.

That is the first good thing that the Bill does. The second is to introduce an offence of bribing a foreign official, which this country—unlike many others around the world—has hitherto lacked. The provision is drafted in such a way as to make it clear that it is the standards of this country that count. Under the terms of the Bill, it will not be possible to say that we can bribe people because it is okay to do so in another culture. That will not be allowed. The standards that will apply are not vague cultural standards; they will be the written law of another state. There was some debate in Committee about whether businesses would be able to follow this part of the Bill, but I am sure that they will be able to do so. It will be their responsibility to ensure that they are complying with the law of the other state, with whose public officials they are dealing.

I very much welcome the Bill. In some of the debates, I was dismayed by the stance being taken by businesses. I understand their worries, but, in the interests of the reputation of this country and of British business, it would not be right—or even profitable—to question this country's position on the fight against bribery. In the relationship between the next Government, whoever they are, and business, I hope that the people in power will make it absolutely clear to business that its position will not be tolerated if it is likely to undermine the provisions of the Bill, which I am glad to support.

3.2 pm

Mr. William Cash (Stone): I strongly support the Bill, but I would like to make one point that relates to a Bill that I introduced a couple of years ago: the International Development (Anti-corruption Audit) Bill. I speak as the chairman of several all-party groups on matters relating to the third world and developing nations, including Uganda and Kenya, and to the sanitation of water. At that time, I had a lot of discussions with people from the National Audit Office, the Public Accounts Committee and the Department for International Development. It emerged that there was a problem elsewhere in the world, and I know that this Bill addresses that problem, as does the OECD report.

I wonder, however, whether there will be sufficient sanctions in place for those who engage in bribery and corruption in third-world countries and elsewhere. This is not just a problem for the third world; it is found in the European Union and all other parts of the world. I am worried about what might happen if we do not have a sufficient degree of sanction in relation to the aid that we give, in terms of any restrictions that might be imposed after a warning has been given. If a Government have been given an opportunity to correct their behaviour and they simply do not do so, we might be left with a problem.

We can deal with this issue as a matter of domestic law here in the UK, and I know that the CBI, the Federation of Small Businesses and other organisations have been engaged in consultations with the Minister about how the guidance will operate. These problems will, however, have a serious impact, because so much of this goes on in those countries where the aid money does not reach the people who really need it. At that level, it is essential that the provisions in the Bill relate to what goes on in the countries concerned. If we cannot stop the corruption happening there by using our powers under the International Development Act 2002—which could be amended—I do not think that we will be able to solve the problem.

Perhaps it will never be possible for the whole problem of bribery and corruption to be solved; it has been going on since the world began. The fact is, however, that the Bill does not go quite far enough in tackling the inability of those people to receive the money that is intended for their benefit. The other side of the coin is the necessity to stimulate self-help and enterprise, thereby building up the economies of those countries.

I have had discussions with the hon. Member for City of York (Hugh Bayley) and others who deal with those countries that are prone to bribery and corruption as a way of life. I have also discussed these matters with Transparency International, and with the Global Infrastructure Anti-Corruption Centre, and I have no doubt that they have what the House of Commons Library note describes as

"impressive anti-bribery strategies on their websites",

but I am not convinced that we have grappled with this enough. I do not think that we have quite got there, although I do support the Bill.

Question put and agreed to.

Bill accordingly read the Third time and passed, with amendments.

Northern Ireland Assembly Members Bill [*Lords*]

Considered in Committee

[SIR ALAN HASELHURST *in the Chair*]

Clause 1

SALARIES AND ALLOWANCES

Question proposed, That the clause stand part of the Bill.

3.7 pm

The Minister of State, Northern Ireland Office (Paul Goggins): There are only three clauses to this small Bill, and clause 1 contains the key provisions. Subsection (3) amends section 47 of the Northern Ireland Act 1998 to enable the Northern Ireland Assembly to delegate the determination of salaries and allowances to an outside body. That is expressly forbidden by the current legislation. The Speaker of the Assembly has confirmed that, after Royal Assent, legislation will be introduced in the Assembly and a new system put in place for setting allowances and salaries after the next Assembly elections in May 2011.

Subsection (5) reflects amendments made in another place and ensures that, if a Member of the Assembly receives a salary as a Member of Parliament or as a Member of the European Parliament, they will not receive any salary as a Member of the Assembly. This is seen as a step along the road to ending dual mandates in Northern Ireland. The other subsections in clause 1 are largely technical and consequential, and I hope that the whole House will continue to give the Bill the support that it gave on Second Reading.

Mr. Laurence Robertson (Tewkesbury) (Con): We welcome the Bill. We have had various discussions on clause 1, which, as the Minister says, contains most of the meat of the Bill. We welcome the fact that the Northern Ireland Assembly is to gain the competence to set up a body for the independent setting of salaries and allowances. This will bring it more into line with what happens in Scotland and Wales.

We are also pleased that the Government met us halfway on the second part of the Bill, which deals with preventing anyone who is a parliamentarian elsewhere from receiving a full salary in the Assembly. It is important to move towards the end of double-jobbing, and we feel that it would be better to achieve that through consensus.

We have three basic objections. The money side of the matter, which the Bill addresses, is perhaps the least important, but it is none the less an important matter. There is also the question of whether people who are elected to the Northern Ireland Assembly can spend sufficient time in this place, as the work here becomes more onerous by the day. I am sure that it does in the Assembly as well, and it is difficult, if not impossible, to be in two places at once.

Mr. William Cash (Stone) (Con): Does my hon. Friend concede that in the context of devolution in the United Kingdom, it is inevitable and necessary to have people who are representative of both the devolved Assembly, particularly with its enhanced powers and responsibilities, and of this House? Does he accept that it would not be inconsistent—in principle, at any rate, and I am not speaking for anybody else—to say that if people are doing two jobs, which is always more onerous, and doing them efficiently, there is something odd about not giving them the status of being paid for both jobs, even if it is something less than they might have expected?

Mr. Robertson: I understand my hon. Friend's point. As I say, the money side is probably not the issue that concerns us most of all. Over the last few years, the Minister and I have worked together on many Committees, not only on primary legislation but on Statutory Instrument Committees upstairs, and sometimes they have clashed with meetings of the Assembly. I think that 15 of the 17 Northern Ireland Members of Parliament also sit in the Northern Ireland Assembly, which has meant that they have not always been able to be present in Committee. I found that particularly difficult. The people with experience of and real expertise about life in Northern Ireland are the people who live there, but if they are in the Assembly and cannot physically get to Westminster, it creates a difficulty, about which we are concerned.

There is a further point about what has come to be called double-jobbing. There is potential for a conflict of interest. Is it right for people to sit in this House and make rules and regulations for the running of the Northern Ireland Assembly if they actually sit in that Assembly?

We support the Bill as far as it goes, but we would have preferred it to go a little further in certain respects. We recognise that parliamentary time has become extremely short and that the Government see this as a small, but important, Bill. As such, we are happy to support it.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I do not intend to detain the House for long. As far as the provisions on the regulation of expenses for the Assembly are concerned, there has never been any contention among the parties. In that respect, clause 1 is wholly unremarkable.

In common with the hon. Member for Tewkesbury (Mr. Robertson), I would have preferred the provisions on double-jobbing to have gone a little further. It is a mark of the maturity of devolution in Northern Ireland, as well as in Wales and Scotland, that we can now countenance that. It is an issue that we should approach with rather greater confidence than we have apparently done. That said, the compromise we have achieved—compromise in the sense that everybody gets what nobody wants—is a workable staging post that should accelerate the withering on the vine of double-jobbing

Mr. Cash: On what the hon. Gentleman described rather pejoratively as double-jobbing, and in the context of the constitutional arrangements between ourselves and the Assemblies he mentioned, I am sure that he recognises that if we are to have anything other than complete independence, some functions will overlap—foreign policy, defence and so forth. It is all part of a continuous process and integrated involvement, so it is not double-jobbing: it is one job, which is to represent people in each of those places. Does he agree that that is not double-jobbing, but doing the job properly?

Mr. Carmichael: I fear that the hon. Gentleman has perhaps never quite come to terms with the full implications of the devolutionary settlement. It is double-jobbing because there are two jobs. There is overlap between statutory functions, and speaking as a Scottish Member here since 2001, I am intimately acquainted with those areas. Energy policy provides a good example of where there is a substantial overlap. The way to address those areas is through meaningful and effective co-operation between MPs, MEPs, MLAs, MSPs and so forth. We should not and cannot address the overlap by having people in more than one place at the same time. When important business is to be considered here, but equally important, albeit different, business is to be considered in Belfast, Cardiff or Edinburgh, that overlap simply cannot be addressed, irrespective of the amount of good will or effective joint working. In setting up a devolved Assembly, as this House has done, we have to accept that, although the work previously done by one person is now being done by two, it is no longer one job, but two jobs.

3.15 pm

In that regard, I entirely endorse the remarks of the hon. Member for Tewkesbury, whose analysis is to be commended. At risk of breaking the consensus that has been the hallmark of these proceedings, I merely observe in passing that I wish that his analysis was shared by his colleagues in the Scottish Parliament, two of whom, for reasons unknown to me, appear to be determined to continue double-jobbing if they are successful in being re-elected to this House. Occasionally, with double-jobbing, there come double standards.

Mr. Peter Robinson (Belfast, East) (DUP): I want to touch on the two points referred to by the Minister. Setting up a body to determine Assembly Members' pay and expenses would not have required the Sewel convention, because the Assembly has been crying out for permission to have a body carry out that work. It will have the support of all the parties in the Assembly as it moves forward. Indeed, they are waiting for this legislation to enable them to proceed with their own legislation. I believe that this will be widely supported not just in the Assembly, but in Northern Ireland as a whole.

I wish we were dealing with a Bill that took on the issue of double-jobbing. There is a lot of double-speak on this issue when it is suggested that if we have a job outside the House of Commons, whether it be at the Bar, a directorship or whatever, it amounts to great experience. I recall the right hon. Member for Richmond, Yorks (Mr. Hague) speaking to the Ulster Unionist conference and railing against double-jobbing. I decided to go on the internet to check what double-jobbing he might have been involved in. My computer printer ran out of paper before I could get to the end of the list, yet he was lecturing the people of Northern Ireland on why they should end double-jobbing. This is not double-jobbing, but simply attempting to stop dual mandates.

The House needs some understanding of why there was such a significant occurrence of dual mandates in respect of Westminster and the Northern Ireland Assembly. It was the view of all parties in Northern Ireland—at least those who could get Members elected to this House—that the experience of Members who had been in the House of Commons was worthwhile in order to ensure that the Assembly had the very best chance of succeeding. They wanted such experience to train—I do not use the term pejoratively—Members coming in to that level of elected service for the first time. It necessarily arose because people wanted to use such experience to ensure that the Assembly's life would not be a short one and that its business could be carried out in the best of fashions.

Secondly, some who might have had the Assembly as their first option—there were a number of them—had some doubt about the length of the Assembly's life. It was a bold move to set up the Assembly under those circumstances, when there was no certainty as to whether it would continue. Many Members thus wanted to hold on to their two positions until there was greater certainty. Those were the two reasons for the introduction of dual mandates, which was done with the best of motives.

As is made clear in the Library's research paper on the Bill, we intended to phase out dual mandates by the end of the next Parliament, but to do so gradually and progressively. The first step would be to remove Members of Parliament with chairmanships and ministerial roles—with only two exceptions—so that they would be able to attend Committees and participate in other House of Commons work, as the hon. Member for Tewkesbury (Mr. Robertson) suggested that they should. We always intended—before this became a public issue—to reduce the number of candidates standing for both positions as soon as the Westminster and Assembly elections came around. We have done that, and we wait for other parties to follow our lead. I believe in a system of "one man"—or woman—"one job", so that people can concentrate on every aspect of the work to be done either in this place or in the Assembly.

Dr. William McCrea (South Antrim) (DUP): Before this became an election issue, or an issue in general, did not a number of my right hon. Friend's colleagues indicate their desire to remain in the House of Commons if re-elected, doing one job?

Mr. Robinson: Yes. A number of my colleagues made it clear to me that they did not intend to stand for the Assembly again. There are others whose constituency associations have persuaded them to stand for election to Westminster, and who will stand down from the Assembly. They would choose otherwise, but they are responding to the calls of their associations rather than their own desires.

Clause 1 takes us closer to "one person, one job", and I think that that is right. As for the finances, I do not believe that any of the Members of Parliament who attended the Assembly did so for any financial reason. They always received a considerably reduced amount in any case: I think it was a third of the salary that they would otherwise have received, and after tax deductions and donations to the party, there was nothing left for anyone else. It was never a matter of finance. I cannot see what else it is a matter of in the Bill.

Although the Bill does not tackle the actual issue of dual mandates, any sensible politician is bound to decide in due course that single mandates are best. My colleagues and I support the Bill without difficulty and without reluctance.

Mr. Cash: I listened with interest to the leader of the Democratic Unionist party, the right hon. Member for Belfast, East (Mr. Robinson).

I am concerned about a constitutional question that I have raised before. We will reach a certain point in the devolution process, one that is coming closer in Scotland. We know what the leader of the Scottish National party is saying about independence, and we know that elements of the Welsh Assembly may feel the same. What the right hon. Gentleman said crystallised the process that is evolving. If the dual mandate is removed, which would lead to what he correctly described as "one person for one job", we must start thinking about the concept of one Assembly for one nation.

That is at the heart of this question. Although there are functions that are reserved, in Scotland and, in this instance, in Northern Ireland, it is becoming difficult to avoid a movement towards complete devolution, which many people would find disagreeable and others would encourage. Movement in that direction is pretty momentous, particularly in the context of Northern Ireland. I have no real knowledge of what the people of Ireland—and those of Northern Ireland in particular—think about it. However, there was a time when we heard the expression "full-hearted consent". Then came the Anglo-Irish agreement, followed by other movements towards greater devolution. A momentous and historic decision has just been made on the devolution of criminal justice, security and the police.

I sense that at the heart of this debate—

The Chairman of Ways and Means (Sir Alan Haselhurst): Order. I sense that we are moving away from the heart of this debate. I must remind the hon. Gentleman that we are debating whether clause 1 should stand part of the Bill.

Mr. Cash: Indeed, Sir Alan. I understand exactly what you have said, and I will do as you will suggest.

We are moving into a constitutional dimension that needs to be watched with great care. It is possible that at some point in the reasonably near future it will become clear that the issue of what is described as double-jobbing on one hand and as a dual mandate on the other will not go away, and that it has profound implications for the direction in which the devolution process continues to evolve.

Mark Durkan (Foyle) (SDLP): Let me record my party's support for the Bill, which, as has been said, addresses problems that need to be remedied for the future.

I think that people appreciate that, given the uncertainties involved in the process on which we embarked with the Good Friday agreement, it was justifiable and appropriate for members of parties to hold mandates in respect of both the Assembly and the House of Commons. Key issues of process were being played out in both places, and there is still some way to go. However, now that the process has become more settled and the institutions of the Good Friday agreement have become well and truly embedded, the public increasingly want their elected representatives to concentrate, in a committed way, on clear mandates and clear roles.

The Bill takes a step towards reducing the allegation of double-jobbing that attaches to people who hold dual mandates, but it does not fully resolve the issue. It would be a mistake for anyone to believe that the progress represented by the Bill, as a result of amendments made in another place, is in itself an answer to the question of dual mandates. That question remains to be addressed, and parties must make more progress on it. I have taken my own stand and approach, and other parties have taken theirs. The signals have been different, conflicting and confusing at times, which does no credit to the political process, whether it be represented by this Chamber or by the Assembly.

The Bill's original purpose was to allow the Assembly to establish an independent mechanism for settling the pay and pensions of Assembly Members. That is a matter of consensus and has the agreement of all the Assembly parties. It is not contentious at that level, but it is not unimportant. When the Northern Ireland Act 1998 was passed, it was felt appropriate to give the Assembly control over its own pay and pensions. The Assembly's having control over its own affairs was deemed to be a significant statement of its status, but public attitudes and perceptions of those things have moved on. People now want the Assembly's pay to be settled by truly independent means, and this Bill takes us forward in that.

I do not wish to detain the Committee any further, Sir Alan, given that the House has many other matters to attend to today. I know that you warned the hon. Member for Stone (Mr. Cash) when he was on his journey covering the trajectory of history, but it is always good to have him here participating. His family seem to have something of a Forrest Gump gene that means that they were present at all sorts of interesting and important occasions in British and Irish history, and he is here, yet again, for this debate on the modest but welcome development represented by this Bill.

Question put and agreed to.

Clause 1 accordingly ordered to stand part of the Bill.

Clause 2

PENSIONS ETC.

Question proposed. That the clause stand part of the Bill.

3.30 pm

Paul Goggins: Clause 2 makes consequential amendments to section 48 of the 1998 Act and covers the payment of pensions and allowances to anyone who has ceased to be a Member of the Assembly or an Assembly office holder. Again, I ask the House to support it.

Question put and agreed to.

Clause 2 accordingly ordered to stand part of the Bill.

Clause 3

SHORT TITLE AND COMMENCEMENT

Question proposed. That the clause stand part of the Bill.

Paul Goggins: Clause 3 provides the short title for the Act, once the Bill has been enacted, and sets out the arrangements for commencement. Again, I ask the House to support it.

Question put and agreed to.

Clause 3 accordingly ordered to stand part of the Bill.

The Deputy Speaker resumed the Chair.

Bill reported, without amendment.

Third Reading

3.31 pm

Paul Goggins: I beg to move, That the Bill be now read the Third time.

The Bill will allow the Northern Ireland Assembly to delegate powers on the setting of salaries and expenses for its Members. The Assembly is currently explicitly prevented from doing so under section 47(7) of the 1998 Act, which states that it "may not delegate" such functions. The Bill removes that restriction, thereby enabling the Assembly to confer the functions of setting salaries and allowances for its Members on an independent body. It is expected that the new system will be in place following the Assembly elections in May 2011. The Bill also ensures that if a Member of the Assembly receives a salary as an MP or an MEP, they will not receive any salary as a Member of the Assembly. That is seen by some as a step along the road to ending dual mandates in Northern Ireland, and indeed we took a further step last week when the law in relation to the standing down of district councillors was changed; they will now be replaced by way of a nomination of the party, rather than by way of co-option or by-election.

Although this is a short Bill containing only three clauses, I wish to thank all Members for the positive contributions that they have made and for the support that the Bill has received from Members from across the House. In conclusion, the Government are introducing this Bill at the request of the Assembly. We do not believe that it would be right to stand in the way of independent control of salaries and allowances in the Assembly, so I commend the Bill to the House.

3.33 pm

Mr. Laurence Robertson: Conservative Members welcome the Bill, as I said during the clause I stand part debate. I thank the Minister and his officials for the open way in which they have approached this Bill. Over the past few years we have dealt with many pieces of legislation in this House, both in the Chamber and upstairs in Committee, and so I also wish to thank him for the way in which he has conducted Northern Ireland business. He has always been very approachable, and he has given us a great deal of help by allowing us access to his officials. I wish also to place on the record my thanks to them.

As the Minister has said, this brief Bill allows the Northern Ireland Assembly to set up a body to set salaries and allowances, and Conservative Members welcome that move. We also welcome the modest move towards what we see as the beginning of the end of dual mandates. In response to comments made by the right hon. Member for Belfast, East (Mr. Robinson) a few moments ago, may I say that I recognise that in the very early stages of setting up the Assembly, it was important to use the experience of Members of this House by allowing them to sit in the Assembly in order to give it the experience that it needed? I recognise that that was the case then, but things have moved on now. As I have said, if a Conservative Government were to be elected, we would revisit the issue and consider the situation of dual mandates then, for the reasons that I have given.

The question is not principally about money—it is also about the time that any one person can spend sitting in a very active and important Assembly in Northern Ireland while also sitting in this House and dealing with the very important issues that we have here. We want to avoid any possible conflict of interest between the two jobs.

As the hon. Member for Stone (Mr. Cash) has mentioned, we recently passed some important legislation on Northern Ireland, which means that the policing and criminal justice competence has been handed over to the Assembly. I wish the Assembly well in that respect and in every other aspect that it has to deal with.

Mr. Deputy Speaker (Sir Michael Lord): I call Mr. Ian Carmichael.

3.35 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): That is my Ealing comedy alter ego, Sir Alan—*[Interruption.]* Sir Michael, I beg your pardon. I have been called an awful lot worse—worry not.

Sir Patrick Cormack (South Staffordshire) (Con): Sadly, Ian Carmichael's dead.

Mr. Carmichael: Do not take me down that road.

May I also place on record my support, and that of my party, for this Bill, as well as our appreciation of the manner in which it has been handled by the Minister, his officials and the other Front Benchers? As we are now in the tail end of this Parliament, may I also place on record our appreciation for the good working relationship that we Front Benchers from the United Kingdom parties, if I can style us as that, have always been able to have with representatives from the Northern Ireland parties.

I look back, having been involved on and off with Northern Ireland business in this House since about 2003, at some of the difficult times that we have gone through. It has not always been easy and the reasons for that are often historical, but I think that the fact that we have been able to get to where we are today is a significant achievement, in which we should all derive a measure of pride and satisfaction. We have collectively been able to bring Northern Ireland to a place that is much healthier today than it has ever been before.

The Bill is largely uncontentious. Those parts that deal with pay and rations for the Assembly are eminently sensible and little can be added to them. The question of dual mandates—at the risk of using the more pejorative term of double-jobbing—is still a work in progress. It is well known that the early involvement of people who had experience of business in this place was an important stabilising factor but, as I said in the clause stand part debate, we now have sufficient security, stability and confidence to move on from that. I hope that, if we are involved in a more organic process with gradual withering on the vine, this is one step that will accelerate that process.

Mr. Peter Robinson: Does the hon. Gentleman recognise that there is one issue that flows from what the Opposition Front-Bench spokesman said about what might happen in the next Parliament? There is the ability to distort electoral performance. Clearly, a higher profile Member of Parliament will gain more votes for a party in the Assembly election. If we therefore allow them to stand for both Westminster and the Assembly—particularly those who do not actually come to Westminster—we distort electoral outcomes.

Mr. Carmichael: Yes. The right hon. Gentleman is absolutely correct. I have seen that operating in all three jurisdictions that have devolved Assemblies. Inevitably, as power is handed down—that is, of course, the process of devolution, as power is handed down from Westminster to other Assemblies and Parliaments—there will be developments that will keep going. We should be open-minded enough to learn from experience. That sort of use—let us not go so far as to call it a misuse or an abuse—of the facilities of one Assembly or Parliament to get one's foot in the door to become a Member of another is something that we will probably need to address and that Members of the devolved Assemblies and Parliaments will want to be addressed. If we, here, are part of a process that is about building stability and growing maturity, it should be in the interests of those Assemblies and Parliaments to get themselves to a point at which being a Member of that Assembly or Parliament is sufficiently significant to satisfy people and is not seen as a stepping stone towards this place or any other.

Mr. Cash: I am slightly troubled by this line of argument, because the budgets for the respective Parliaments are paid for by the taxpayers of the United Kingdom. It seems somewhat incongruous to focus on what the hon. Gentleman describes as double-jobbing, but what others might regard as an important dual mandate, given that the money is not being provided by the people for whom he would want exclusively to legislate, but only insofar as devolved functions are concerned. There is a serious constitutional issue here that he is completely avoiding.

Mr. Carmichael: No, I am not avoiding it. Indeed, I assure the hon. Gentleman that I have devoted a lot of my life in the past three years to addressing exactly that point—particularly in relation to the powers of the Scottish Parliament in determining its own budget—through the work of the Calman commission and by working with the Conservative party. That is another aspect of the evolving nature of devolution, and it is something that will come with time, maturity and stability.

On pejorative references, the hon. Gentleman was absent from the Chamber earlier when I talked about the appropriate use of dual mandates. Unfortunately, when I turned to acknowledge him, he was not in his place, having nipped out briefly.

3.42 pm

Mark Durkan: Opposition Front Benchers have rightly paid tribute to the Minister and his officials for their work on this necessary Bill, and I want to associate myself with those remarks. It is also appropriate to acknowledge the work of the Speaker of the Northern Ireland Assembly, William Hay—a constituent of mine who will not be voting for me, of course, in the election. The Speaker and the senior officials of the Assembly have worked on the need to provide independent determination in relation to Assembly salaries and pensions. They have engaged cross-party discussions to that end, which is why the Bill has the consensus across the parties in Northern Ireland that it has. I am sure that that was a very welcome point of persuasion for the Minister in taking this Bill forward. It is right for the record here and elsewhere to pay tribute to the Speaker and to officials in that regard.

The Bill does not resolve the issue of dual mandates—or double-jobbing or whatever anyone might call it—but it does at least reduce some of the contention and misrepresentation around that issue for those who continue to hold dual mandates for as long as they do. However, that issue needs to be dealt with. I have made my own decision. This Chamber is not where I want to be, as an Irish nationalist and someone who was personally and deeply involved in the negotiation, establishment and implementation of the Good Friday agreement. I really want to pursue my involvement in democratic politics elsewhere, but I have decided that for the next term, because of issues affecting my constituents and because of wider concerns, this is where I need to be, and that is the offer that the electorate will have to make a decision on. However, I believe that we need to get to the point where all elected representatives in Northern Ireland are able to make and offer a clear choice with regard to the mandate that they will pursue.

In the main, we stand on party tickets. We will not be divorced from parties, so the issues on which there is some overlap between the business of this House and the Assembly—they will sometimes compete with each other and at other times complement each other—can be properly and competently discharged. People can be confident that we now have a settled process in Northern Ireland, with north-south institutions.

There is one issue that the Minister did not address when we looked at this Bill on previous occasions, which is the question of people getting salaries for sitting in the Assembly and in another chamber. We have dealt with that in respect of this place, but the outstanding issue has to do with the legislation allowing a person to sit in both the Assembly and the Oireachtas. There does not seem to be any bar on that person receiving salaries from both institutions so, for reasons of parity of esteem, equity of treatment and so on, some further adjustment may need to be made.

3.45 pm

Dr. McCrea: On behalf of my hon. and right hon. Friends, I would like to thank the Minister and his departmental officials for the courtesy that they have shown in taking this legislation through this House.

I concur with the remarks made by the hon. Member for Foyle (Mark Durkan) in respect of the Speaker and staff of the Assembly. I think that Members of the Assembly will be greatly relieved that there is to be an independent determination of salaries and so on, as they never had any desire to bear that responsibility in the first place. They will be very happy with this outcome.

I listened carefully to hon. Member for Foyle, and I have to tell him that I am very proud to be in this House. I am very honoured to be part of the UK Parliament and, as a good British Ulsterman, I am certainly proud to be able to represent the good people of South Antrim in this place.

I listened carefully to the other remarks that the hon. Gentleman made. I do not think that there is anything to stop him going to another place, if that is what he wishes. He appears to feel that being in Her Majesty's Chamber here is a burden, but I know that he will feel very much at home in this United Kingdom Parliament.

Finally, a certain political party in Northern Ireland became very sensitive about the issue of double-jobbing, but only when it had lost practically all its representation

[Dr. McCrea]

in this House. It got down to one Member, and now it has none at all. Even so, we are delighted that that party has acquired a sensitivity that it certainly did not have in the past, when it represented 12 Northern Ireland seats. It is something that members of that party got sensitive about when the electorate gave the responsibility to the Ulster Democratic Unionist party.

My party leader has made it clear that we are sensitive to the needs of the people of Northern Ireland. We want them to have the best possible representation, and I hope that my hon. Friends and I will have the opportunity to come back to this great House to represent the good people of Northern Ireland in years to come.

3.48 pm

Mr. Cash: I shall be very brief. I am much encouraged by the speeches made by the hon. Members for South Antrim (Dr. McCrea) and for Foyle (Mark Durkan). I know that the latter understands what is at stake, but I got the slight impression—which the hon. Member for South Antrim also picked up—that he might come back through the back door, courtesy of the most extraordinary amendment that was passed some years ago that meant that Members of this House could also be in the Dublin Parliament—the Oireachtas, as I think that we now have to call it.

That raises one curious anomaly with the dual mandate, but there is another that I want to describe very briefly. It has to do with whether legislative power lies with the devolved Assembly in Northern Ireland. That is still developing and evolving: we are moving towards much greater devolution and even independence, but we are doing so without having regard to where the money comes from. That is another factor that we shall need to consider, as we had to do post-1997 in relation to Scotland.

The British taxpayer is also the source of money that spills into all parts of the island of Ireland—north or south—from our net contribution to the European Union. It would be remiss of me not to mention that subject, because it raises the question of the relationship between taxation, responsibility and democracy. If the moneys are provided through research, grant in aid, assisted area status and redevelopment grants, a question arises about what the United Kingdom is being expected to do. Members of this Parliament, who represent the taxpayers of the constituencies to which we are about to return, are in effect paying a lot of moneys for important functions that are being devolved in a modern world.

I leave the House with this thought. There is more and more movement towards greater and greater degrees of responsibility. It is called devolution, but the relationship between responsibility and taxation is important, so there is a constitutional issue at its heart. It is well known that I am great supporter of those in Northern Ireland, and I am conscious of the fact that our taxpayers have to bear the costs of whatever emerges from the EU and is then paid back to us. In that context, the Bill is important because it is obviously something of which Members of the Northern Ireland legislature approve, so I am concerned that we have a coherent structure. Nothing is perfect and nothing can be resolved simply by writing down words—it is a question of the manner in which people come to believe that they can exercise authority through the rule of law in the appropriate manner. I do not want to make too much of a meal of this: I simply believe that we are moving inexorably towards a greater degree not merely of devolution but of political responsibility.

Question put and agreed to.

Bill accordingly read the Third time and passed, without amendment.

Mr. Deputy Speaker: I now have to announce the results of Divisions deferred from a previous day. On the Question relating to children and young persons, the Ayes were 259 and the Noes were 152, so the Question was agreed to.

On the Question relating to EU strategy on jobs and growth, the Ayes were 254 and the Noes were 158, so the Question was agreed to.

Dangerous Drugs

3.52 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Alan Campbell): I beg to move,

That the draft Misuse of Drugs Act 1971 (Amendment) Order 2010, which was laid before this House on 30 March, be approved.

If the order is approved, it will bring mephedrone and other cathinone derivatives—a group of so-called legal highs—under the control of the Misuse of Drugs Act 1971, as class B drugs, from 16 April 2010.

As required by the Act, the Advisory Council on the Misuse of Drugs has been consulted, and the control of the drugs fully reflects the council's recommendations. I place on record our thanks to the advisory council for its thorough advice and continuing commitment and work in a very important area. The council's assessment is integral to our ability to respond effectively and in an informed way to the threat posed to our society by emerging harmful drugs.

Keith Vaz (Leicester, East) (Lab): I welcome what the Minister has said so far, and I hope to catch Mr. Deputy Speaker's eye and contribute to the debate. With the resignation last week of another member of the advisory council, it is right that we re-assert the position that although the council is there to advise, at the end of the day it should be Ministers who make the decision and are prepared to come to the House to defend their decision.

Mr. Campbell: As ever, my right hon. Friend speaks wise words. Of course Ministers ultimately decide and advisers advise, but there is a strong relationship between the Home Secretary and the council and its new chair, and we value the advice that is given.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The Minister describes the current relationship as strong, but recently there have been two resignations, so how many resignations would he anticipate there would be if the relationship were weak?

Mr. Campbell: One just has to look at the order, the agreement between the council and the Home Secretary, and what I hope is the widespread opinion in the House and throughout the country to see that when the relationship works well, it works very well indeed. I will not go down the path on which the hon. Gentleman tries to lead me, but if he catches your eye, Mr. Deputy Speaker, I will listen carefully to his comments because, as ever, he has a great deal to say.

There is shared concern about the harm that such drugs can do and the pace at which they have become available. Cathinones are stimulants with effects similar to amphetamine. The advisory council has provided its assessments of the risks that those drugs pose after undertaking a full review of their status by examining their use, pharmacology, and physical and societal harm. The harmful effects of the drugs include over-stimulation of the cardiovascular system, which creates a risk of heart and circulatory problems, and over-stimulation of the nervous system, with the consequent risks of fits, agitated and paranoid states, and hallucinations. Mephedrone has been linked with a number of deaths in the UK and one confirmed death of a young girl in Sweden.

The advisory council advises that the harm posed by such drugs is of a level that justifies their control as a class B drug under the Misuse of Drugs Act 1971. My right hon. Friend the Home Secretary has rightly waited for advice from his independent expert advisers and, as I said, the Government continue to value scientific advice and remain committed to evidence-based policy making in this area, as elsewhere.

Mr. William Cash (Stone) (Con): It is perfectly true that neither the Minister nor the Home Secretary are trying to avoid their responsibility by accepting the advice that has been given. However, they must acknowledge that they are acting on that advice and accepting the evidence to which the Minister referred. In that context, and in the light of all that we have heard, how on earth could anyone reasonably argue that mephedrone is not something that causes the death of young people and generates all the symptoms that he described? Does he agree that those of us who have campaigned against this drug did so for the very best reasons and that there is no rational or reasonable case for continuing to allow it to remain on the market?

Mr. Campbell: Of course that is the reason why we are bringing forward the order. I pay tribute to the hon. Gentleman and others who have campaigned on this issue. The important advance is that we now have the clear advice from the advisory council, and that is the evidence on which the order is based.

The advisory council's advice is very much in keeping with our approach to the control of synthetic substances such as synthetic cannabinoids, which were controlled by Parliament in December 2009. We are introducing generic definitions of the drugs. By enshrining a generic definition of cathinone drugs in law, rather than specifying each one individually, we will capture a wide range of cathinone derivatives. As far as we are aware, that is a world first for this group of drugs. A number of such derivatives have already been seen in the United Kingdom including methylone, methadrone and butylone. Our controls also try to deal with future trends and to stop unscrupulous, illicit manufacturers who work for organised criminals and tweak substances to circumvent our laws.

The enforcement response will initially focus on people who peddle and traffic these harmful drugs, rather than the young people who might be found in possession of them. We do not intend to criminalise young people, but we expect the police to respond proportionately.

Keith Vaz: Britain cannot deal with the problem on its own. Is it not important that we work with our EU partners? Should we not give greater emphasis to the work done by the drugs agency in Lisbon? I am not absolutely certain what that agency does, but surely it offers a way in which the 27 EU countries can work together. If they do not work together, drugs will find a way into the UK.

Mr. Campbell: We do work with our colleagues in Europe and, indeed, further afield. What my right hon. Friend says is important, but it is also important that we decide on the way forward for the United Kingdom.

[Mr. Alan Campbell]

My point is that by making the order as we have, and in particular by dealing with a generic family of drugs, we are setting the bar very high and leading the field.

Dr. Harris: The Minister says the Government's intention is not to criminalise young people. What is the age cut-off for the criminal offence?

Mr. Campbell: I shall come to that in a moment, but let me first finish my point. When talking about criminalisation and the importance of the order, I want it to be clear that after 16 April mephedrone will be an illegal drug; those in possession of it will be breaking the law; if caught, they will face being prosecuted and acquiring a criminal record. Those trafficking these drugs will face a substantial term of imprisonment—for a maximum of 14 years—and, when they have profited from what will be an illegal trade, we will seek to seize their property and other assets under the Proceeds of Crime Act 2002. We are working closely with the Association of Chief Police Officers and other agencies to develop a comprehensive approach to tackle the sale of these drugs. The Serious Organised Crime Agency and the United Kingdom Border Agency will take effective enforcement action against the criminal gangs that traffic the drugs across our borders.

As well as bringing the order before Parliament the day after we received advice that the drugs are harmful and dangerous, the Government took a series of other immediate actions. First, to limit the supply of mephedrone, specified other cathinone derivatives and all products containing those drugs, we banned their importation and instructed UKBA officials to seize and destroy shipments of mephedrone at the border, unless the shipment was licensed by the Home Office. UKBA has already seized a number of suspected mephedrone importations as a direct result.

Secondly, my right hon. Friend the Home Secretary wrote to local authorities urging them to consider what action they could take under consumer protection legislation when mephedrone is inaccurately advertised as being for use as plant food or bath salts. Police forces and other agencies are contacting head shops and other premises thought to be supplying the drugs to warn them of the ban and to make clear their enforcement powers if suppliers fail to comply with the ban, once it comes into force.

Legislative control is, of course, only part of the solution. Education is of paramount importance so, thirdly, in respect of our health messages, our drugs information service Frank provides information on cathinones, including mephedrone, with clear information about the risks those substances pose. Frank has already updated leaflets providing advice on mephedrone for young people and parents, which will be available from various sources, including the National Union of Students. Our Crazy Chemist information campaign run in late 2009 included warnings about mephedrone and targeted young people on websites and when they search to purchase legal highs. My hon. Friend the Minister for Schools and Learners has written to all head teachers, providing guidance on dealing with mephedrone in schools. Mephedrone and legal highs will also be included in the new drugs guidance for schools.

Fourthly, the Department of Health has issued a formal alert through the public health warning system to ensure that all front-line hospital staff, medical staff and drug treatment staff have the most up-to-date information about the harm posed by mephedrone.

The concern about mephedrone and other cathinone derivatives has been well publicised in recent weeks and users of those drugs should therefore be aware of the changes we are making.

If the order is approved, the Government will publicise the changes in the law through a Home Office circular, and through the Talk to Frank and drugs.gov.uk websites. Reference to the law change and to health risks relating to the drugs will be included in future Government materials for young people.

Dr. Harris: I am not seeking to interrupt the Minister, but I was not sure whether he was going to answer my question. He said it was not his intention to criminalise young people. That implies that under the order there is an age cut-off with regard to the criminalisation of users and people who possess the drug. Will he clarify whether there is an age cut-off, or what he meant by saying that young people would not be criminalised?

Will the Minister also say what his outcome measure is for deciding whether the policy is a success? What level of use are we talking about? If the level of use becomes lower, will he say that that is good? If it goes up after the order is introduced, will he say that perhaps it was the wrong policy?

Mr. Campbell: I will perhaps return to the hon. Gentleman's second point in my closing remarks, if I may. On the point about the enforcement approach taken with young people, one of the important things that we do, in using the law in this way, is send out a very clear message to young people that mephedrone is illegal and does them harm, and is something with which they should not get involved. Those found in possession of an amount for personal use need to be dealt with in a proportionate and appropriate manner. It is, of course, at the local level that the police will make judgments on operational matters, but there is a statutory process for young people under 18, which is set out in the Crime and Disorder Act 1998. That offers formal escalation, with referral at any stage to a youth offending team for a substance misuse assessment and appropriate intervention, through treatment or other support. We are not reinventing the wheel; we know how to deal with the issue with regard to other substances. Of course we have learned lessons from that and will apply them in this case.

James Brokenshire (Hornchurch) (Con): As the Minister will be aware, when cannabis was reclassified as a class B drug, a separate regime was put in place: a fixed penalty ticket can be issued for possession of that drug, even though it is a class B drug. It is the only one in the class B category that has that provision attached to it. Is he suggesting that that will also apply to mephedrone?

Mr. Campbell: I am grateful to the hon. Gentleman for raising that issue, because that is not what I am suggesting at all; that is not our intention. The difference with cannabis is that most experienced police officers can recognise cannabis, as compared with other drugs.

They may therefore be able to make a judgment about what an appropriate response is. It might be that a penalty notice is an appropriate response. That is why we explained what we expected to happen when cannabis was reclassified. The difficulty with mephedrone is that it is very difficult to distinguish it from a range of other drugs, so it would not be appropriate in this case to take the route that we went down with cannabis. However, I am grateful for the opportunity to put that on record.

We will continue to make it clear, particularly to young people, that so-called legal highs cause serious, and sometimes considerable, harm to those who use them, as well as great distress to people's families and friends, and to communities. Our aim is to ensure that everyone, and young people in particular, are well aware of the risks associated with using such drugs. That is why we are absolutely determined to crack down on so-called legal highs. We need to be vigilant and responsive. In particular, we need to tackle those who have no motive but greed, and who have no regard to the harm that they cause. We must ensure that our children know the harms of drugs, and know that even if someone describes them as legal highs, they are not safe. We ask Parliament to approve the order, which we believe will protect the public, and particularly young people, from those dangerous drugs. I commend the order to the House.

4.8 pm

James Brokenshire (Hornchurch) (Con): We support the order. The Advisory Council on the Misuse of Drugs has given clear advice that mephedrone is a harmful, psychoactive substance and should be classified as a class B drug within the scope of the Misuse of Drugs Act 1971. It is right that the order should seek to capture the cathinone group, of which mephedrone is one analogue, so that those who manufacture and seek to market those synthetic substances do not simply modify the drug slightly to create a new substance that would fall outside the scope of the controls. Methylone and various other drugs would have been the next problematic substances, as the Minister has said, and it is right that those drugs, as well as mephedrone and the other cathinone analogues, are addressed by virtue of the order.

However, the issue is the time that it has taken to get to this point and the process that has been followed. It is frankly absurd that the ACMD should have written to the Home Secretary before Christmas, warning of its concerns as to the prevalence and potential harms of these compounds. It would seem that the Home Office knew of this problem months before. Why did not the Government act sooner? Why does it sadly seem to have taken the reporting of the deaths of several young people to finally prompt the Government into action? It should have been possible to develop policy in a measured way, rather than reaching the sudden realisation that there was an issue because of media coverage.

It has been apparent for some time that there has been an emerging problem with this group of so-called legal highs. It is desperately sad that as many as 25 deaths have been linked to mephedrone in some way, and our thoughts go to the families who have lost loved ones. The question that needs to be considered is whether any of these tragic cases could have been avoided if the Government had acted sooner and a more robust mechanism had been in place for addressing newly emerging psychoactive substances, and if that had been in place, what its effect might be. We should certainly not forget that the Government were also slow to act in responding to GBL. It took the Home Office 18 months to implement the recommendation of the ACMD that the drug should be classified. We need to learn the lessons from these experiences.

What has been disturbing about mephedrone has been the way in which it has been sold. Rather than being offered by a drug dealer down a dark alley, it has been spuriously marketed on the internet as plant food or fertiliser. As the ACMD has made abundantly clear, this is a drug akin to an amphetamine, and more likely to poison than promote the growth of our petunias. This has been a con, a deception, a spurious device to subvert the medicines control legislation, to suggest that this substance was not for human consumption and therefore not being sold as a drug. It is a despicable deceit, simply aimed at entrapping the unwary. It has also exposed the inadequacies of the system for responding to new and emerging drugs in the internet age.

Even though we may pass the order, we need a speedier mechanism for addressing public safety issues linked to new drugs intended for human consumption, however they may be falsely marketed. We have called for the introduction of a new temporary classification for a period of up to 12 months for newly emerging problematic substances. During this period, controls on sale, importation and supply could be imposed where public health concerns have been identified. This would also allow a period of expert input and analysis, to be provided in a considered and careful manner, as to whether a formal classification should be applied to the drug. It would also allow for specific public health alerts to be issued in a managed and focused way, without stoking up demand for the new substance, as I fear that the coverage in recent weeks has done in relation to mephedrone.

Dr. Brian Iddon (Bolton, South-East) (Lab): Is the hon. Gentleman aware that the UK Drug Policy Commission made a category X proposal some time ago?

James Brokenshire: I am aware of the policy or the promotion of the idea that the hon. Gentleman suggests. The proposal that I am setting out is subtly different in some ways from the proposal that he refers to, although that is certainly helpful in terms of promoting a debate as to how we can respond to the newly emerging psychoactive substances.

"Frank" was desperately slow to react to mephedrone, and while steps, to which the Minister has referred, have now been taken to promote the appropriate advisories, there should be a speedier way to ensure that advice is available in a more effective manner once a new and problematic substance has been identified.

More generally, there is also a need for an early-warning mechanism. In its report on mephedrone, the ACMD called for the development of data sets from drug amnesty bins to provide an early warning of emerging trends, which is a sensible suggestion. As part of the follow-through on the order, will the Minister confirm what steps he is taking to advance this proposal? Does he agree that there is a need for a new temporary classification, as we have suggested?

[James Brokenshire]

On the specifics of the order, will the Minister confirm what processes will be adopted to enforce the legislation? He referred to discussions with the Association of Chief Police Officers, but what guidance on the introduction of the order is intended to be issued to police forces? What steps has the Minister taken to ensure that local authority trading standards departments take appropriate action under trade descriptions legislation against those firms and companies marketing mephedrone in an entirely bogus and fraudulent way? He referred to a letter from the Home Secretary, but what follow-through does the Minister envisage? How are efforts being co-ordinated with local police and the Serious Organised Crime Agency to ensure that all appropriate measures are taken to get this drug off the streets once the order becomes effective? He has talked about a strategy, but it would be helpful to understand further what that means in terms of immediate action. What discussions has he had with Ministers in the Department for Communities and Local Government about joined-up enforcement with local authorities?

As I have said, the use of the internet has been a factor in the sale and distribution of such drugs. What discussions has the Minister had with internet service providers and other web hosting companies about taking down websites that offer to sell these harmful substances? What liability would the internet hosting companies have once they had been put on notice of someone using their online services to market these dangerous drugs? Will such companies have any responsibility to co-operate with law enforcement and other agencies?

We are aware that some head shops and other dealers have been stockpiling mephedrone in advance of the introduction of the order, and the Minister said that he has written, or that various agencies are writing to, those organisations. Can he confirm that appropriate action will be taken to seize those products at the earliest opportunity to prevent them flowing into illegal drug distribution networks once the order, if the House passes it, becomes law?

Mephedrone is a synthetic compound designed and created in a laboratory. There have been disturbing reports of chemists in China designing those drugs for use in this country, and of more such drugs being engineered. Can the Minister confirm the veracity of those reports? If they are true, will he ensure that the Foreign Office makes appropriate diplomatic recommendations to those countries that host such facilities? Can he confirm also what measures are being taken to increase the ability of our border agencies to interdict drugs before they enter this country? The Government seem to have downplayed drug seizures, and that is one reason why we believe that we need a proper border police force—to provide greater security and to help reduce the flow of drugs through our porous borders.

Certain parties and persons outside the House have raised questions about the legality of the order, and some have suggested that we need a three-month consultation period with the European Union before the measure can become effective. Will the Minister confirm that he, like me, is satisfied that that is not the case, and either that the relevant EU directive does not apply to this situation, or that there is an appropriate exemption to ensure that the order is effective and can be effective in a matter of days?

People have also queried whether the resignation of any members of the ACMD undermines the approval process and the council's advice in support of the order. For the record, can the Minister confirm that that will not impact on the order's effectiveness? He will be aware of the strong indications that many young people have taken the drug thinking that because it was legal it was safe. What public health or media campaigns does he envisage forming part of the order's implementation? In particular, does he acknowledge that simply passing the order this afternoon will be insufficient unless it is backed up by an awareness campaign to highlight the risks and dangers not simply of mephedrone, but of any other legal highs that might subsequently become available?

Allied to that is the issue of treatment for those who have become addicted to mephedrone. I was speaking to a father of a young man who has become a mephedrone addict. He expressed his frustration at simply not being able to obtain any appropriate advice on the treatment options for his son; how his son had become depressed and was exhibiting other psychological problems; and how he felt powerless to help, because no health professional seemed able to offer a suitable clinical pathway.

Drug therapists have told me of their surprise at how quickly addictive and problematic behaviour has been identified with mephedrone. People have suggested that it can become particularly addictive because it gives a short-term high, leading to binge drug-taking by some users. What steps is the National Treatment Agency for Substance Misuse taking to address that apparent gap in provision? What assessment has it made of the types of service that may need to be procured at local level? He has talked about advice and guidance in the health service, but what steps is the Department of Health taking to ensure that GPs and other local health practitioners are receiving suitable training to help meet the needs of patients presenting with clinical symptoms linked to mephedrone addiction?

Looking ahead, there is a strong suggestion that the napthyl analogue of pyrovalerone may be the next new psychoactive substance to hit the streets and the club scene. There are already reports that NRG-1, as it is being referred to, is being marketed as a mephedrone substitute. The ACMD has said that it intends to

"review these substances and provide further advice at a later date."

When does the Minister expect that advice to be forthcoming? In the light of recent experiences, what steps is he taking to ensure that we do not have a rerun of mephedrone with NRG-1?

More generally, the current situation highlights the relationship between the Government and the ACMD. Whatever the Minister may claim, there has been a serious problem with the ACMD and its ability to function effectively and provide Ministers with much-needed advice since the Home Secretary's inept handling of the sacking of Professor David Nutt and the high-handed way in which he dealt with the AMCD subsequently. That has led to a lengthening line of resignations. Is it not the case that the Home Secretary's actions have caused inertia and damaging delay at the heart of Government drugs policy?

Eric Carlin, who resigned from the ACMD over the bank holiday weekend, has said that the council is in "deep trouble". Professor Neil McKeganey, the Scottish drugs adviser, has said that

"the relationship between the ACMD and government has broken down."

Will the Minister accept that the fracturing of the relationship, breakdown of trust and deep trouble lies entirely at the door of the Home Secretary? We need effective expert advice to inform policy making on drugs. The problems of addiction and multiple substance abuse are complex and multifaceted, and the ACMD has an essential and important role to play.

Keith Vaz: I am sorry to stop the hon. Gentleman in mid-flow. I know that the personality issue and the question of relationships is central to his argument, but is this not an appropriate time to consider the structure of decision making and the distinction between Ministers and advisers? Subject to the general election, he may be on the Government side of the House making decisions on behalf of a future Government, and it is time to examine that structure.

James Brokenshire: The right hon. Gentleman made an important point in an earlier intervention about the relative role of advisers and Ministers, and he made it well. Even if we pass the order this afternoon, there needs to be an assessment of the relationship between the Government and their scientific advisers. We look forward to the publication of the Ormond review, which cannot come a moment too soon. This has been a sorry episode for this increasingly sorry Government.

Dr. Harris: Will the hon. Gentleman give way?

James Brokenshire: I will not.

This episode has come at a time when an effective relationship between the Home Office and its drugs advisers could have facilitated a more effective and speedy response to the emerging harms of legal highs.

Dr. Harris: Will the hon. Gentleman give way?

James Brokenshire: Instead we have had disunity, disagreement, resignations and delay.

Dr. Harris: Will the hon. Gentleman give way?

James Brokenshire: To quote what is becoming an increasingly—

Dr. Harris: Will the hon. Gentleman give way?

Mr. Deputy Speaker (Sir Michael Lord): Order. I think the hon. Gentleman has indicated that he is not giving way at the moment.

Dr. Harris: Why not?

Mr. Deputy Speaker: Order. He is simply not giving way.

James Brokenshire: To quote what is becoming an increasingly well-worn but entirely apt phrase, we simply cannot go on like this.

4.23 pm

Keith Vaz (Leicester, East) (Lab): There is agreement, at least between the two Front Benchers who have addressed the House so far, that the Government have done the right thing in the current circumstances. I will not be sure what the Liberal Democrats' position is until we hear from the hon. Member for Oxford, West and Abingdon (Dr. Harris), but there is agreement about the decision that has been taken. I join the hon. Member for Hornchurch (James Brokenshire) and the Minister in accepting that it was the right course of action for the Government to take. They acted speedily in respect of the recommendation from the ACMD.

The decision was speedy in that the report went to the Home Secretary on Monday, and on the same day he decided that the drug would be reclassified. It took the Government only a few hours to make that decision. However, I am concerned about the time it took for the advisory council to get to the position to make that recommendation to the Government. Well done to Ministers and, in the last instance, to the Home Secretary for making the decision quickly, but I am worried about the time it took for the recommendation to come before the Home Secretary. The concerns raised by the Minister, the hon. Member for Hornchurch and others in the House were first brought before Ministers a year ago. Those concerns—about how dangerous the drug was—were raised with the previous Home Secretary. So I praise the Government on their decision, but lament the fact that it took 12 months to get to the position to make it.

We have to look at how these decisions are made, and the purpose of the ACMD is central to that. The hon. Member for Hornchurch, in an election period, obviously makes hay with the fact that members of the council have been resigning over the past few months. I would be astonished if he did not use that fact for party political advantage in the current climate. Indeed, it is embarrassing that only last week another member resigned. So it is an appropriate time to look at the entire structure of how these decisions are made. As I said to the Minister in my brief intervention, in the end it has to be up to Ministers to come before the House, and to make and defend such decisions, and they must rely on expert advice.

My hon. Friend the Member for Bolton, South-East (Dr. Iddon) is, of course, much more experienced than probably anyone else in the Chamber today in these scientific matters—I do not want to disparage anybody else—because he is a bona fide scientist. He is a doctor, so he must be. If we can divorce ourselves from the fact that we are experts in certain fields, we have to rely on the expert advice of people who have impressive titles, such as professors and doctors, to give us the advice and expertise that we do not possess.

We should look at the structure of the advisory council. We must not get to a position where such an important body, which makes representations to the Government on a very important area of policy, should have acting chairpersons, committee members resigning and members who do not understand that, at the end of the day, decisions have to be made by Ministers. It would not be right if such decisions were all made by experts. There is absolutely no point in a Government having a drugs policy as part of their portfolio if Ministers are not prepared to act. I hope that we can use the current episode to look at structures. Of course,

[Keith Vaz]

it is difficult to do that in the middle of a general election campaign, but whichever party is in power—obviously, I hope it will be Labour—the Government need to look at those structures and ensure that the system is improved.

My hon. Friend the Member for Walsall, North (Mr. Winnick) is in his place, and the Government will have noted the last report of the Home Affairs Select Committee on cocaine and the increase in the amount of it entering the United Kingdom. We suggested that it is vital that there be better co-ordination of Government drugs policy. The hon. Member for Hornchurch rightly raised the point that even if mephedrone is reclassified, in various parts of the world—I do not know if it is just in China—people are sitting down, as we speak, to try to concoct the next drug for the market. We are, in a sense, powerless to deal with the fact that, whatever we do in this place and regardless of decisions made by Ministers, at the end of the day, in order to circumvent the reclassification of this drug, somebody somewhere on this planet will be devising the next drug to be made available to young people and others. The hon. Gentleman is also right to mention the importance of the internet, and although I am not sure whether people in China will be able to buy such drugs on the internet, given what has happened with China and Google, the fact is that people in this country might be able to do so. That is something that we have to look at.

That brings me to my penultimate point, which is about the European Union and its failure properly to grasp this as an important policy issue. I am not sure whether my hon. Friend the Member for Walsall, North came with us when the Committee visited Lisbon as part of our inquiry into the cocaine trade, but we came across the European research and drugs agency. We were treated extremely well when we went in, as I am sure parliamentarians from across the European Union are. There were half a dozen experts—or perhaps even up to a dozen—sitting before us telling us what the agency was doing on drugs policy. However, what concerns me is that although we have all those experts sitting around in Lisbon talking about policy issues, we still have an unco-ordinated policy in the EU. Mephedrone is banned in Sweden and Denmark, which are in the EU, and in Norway and Israel, which are outside it, but in France and the United Kingdom—until this order goes through, of course—there is no ban, and anyone who goes to Spain can buy it there, too.

The European Union prides itself on co-ordinating policy on serious and organised crime, counter-terrorism and so on, and here we have a policy that is crying out to be co-ordinated at a European level, yet there is no co-ordination. That is why it is important that Ministers, shadow Ministers and alternative shadow Ministers should look at the European Union's drugs agency and ensure that it does the work that was intended when the Government supported its creation, by providing research, information and expertise, so that the work can be done on a Europe-wide basis—the very issues that the hon. Member for Huntingdon referred to. The fact is that there are people in different parts of the world trying to second-guess the decisions that we are making and trying to create the next internet drug. Those in the European agency are the kinds of people who have the resources to ensure that we remain one step ahead of the people who wish to create the next-steps drugs. If we work in a co-ordinated way, that will make the policy easier to implement and absorb.

Finally, to return to my earlier point, I said right at the beginning that we should welcome what the Government had done, but lamented the fact that it had taken so long. There is no excuse when concerns are raised with Ministers and when Ministers say to the advisory council, as they did last November, "This is a serious issue. Please get on with making a decision as soon as possible." Let us look at the referral time. The Home Secretary asked the advisory council to look at the issue in November. Resignations aside, it is now April. We have had five months since the original referral. The process has taken far too long.

Leaving the structures aside, we need a measure that will allow an interim decision to be taken, at least in the short term, because since the matter was first referred to my right hon. Friend the Member for Redditch (Jacqui Smith), after the concerns raised by parliamentarians and our Committee—we have written to Ministers about the issue on a number of occasions, most recently a couple of weeks ago—some 25 young people have died. They include Louis Wainwright and others, and teenagers and young people go to nightclubs, where they have been able to buy mephedrone, every Friday and Saturday night.

Mr. David Winnick (Walsall, North) (Lab): Has my right hon. Friend not touched on the nub of the problem? How do we persuade people, and particularly young people, not to take such drugs? Are we satisfied that criminalising drugs will resolve the difficulties? Doing so may well resolve them, and no one has suggested that we decriminalise all drugs—or, indeed, any of them—at this moment. However, the real challenge, in saving lives and saving people from serious injuries, is surely to persuade them not to take drugs in the first place.

Keith Vaz: My hon. Friend is absolutely right. That is what the Select Committee report said. The need for persuasion and awareness is very important. The Minister has the Frank campaign to assist the Government, but we need more than that. We could simply say, "Take this drug and you will die", as 25 teenagers and young people have done since this matter was referred to my right hon. Friend the Member for Redditch. Those 25 young lives could have been saved if the Advisory Council on the Misuse of Drugs had produced its report more quickly following the Minister's referral of the matter to the advisory council. They were not saved, however, because we have acted so slowly.

Dr. Iddon: Over the past few weeks, many people have been saying that mephedrone is killing young people, yet the evidence shows that the young people who are using it—I would not advise them to use it at all, frankly—are often using other drugs as well. Until the coroners' reports have been published, we cannot say whether mephedrone killed Fred Bloggs or not. We have to wait for those reports. The problem is that young people are often using another drug—usually alcohol—as well as mephedrone, and sometimes another drug in addition to those two. So the real problem is poly-drug use. May I urge my right hon. Friend, in his capacity as Chairman of the Home Affairs Select Committee, to look at the poly-drug use problem when Parliament returns?

Keith Vaz: I cannot give my hon. Friend an assurance on that, as it will depend on various factors. He is right, however, to identify that problem with mephedrone. Professor Iversen appeared before the Committee and said that mephedrone was an amphetamine by any other name, and that it could have harmful effects. My hon. Friend might be right about the individual cases, but my point is that 25 deaths were in some way related to the use of that drug—*[Interruption.]* The hon. Member for Oxford, West and Abingdon (Dr. Harris), for whom I have huge respect, is huffing and puffing—in a perfectly legal way—from his position on the Front Bench. The fact is, however, that I do not share his philosophy that people should just have any drug that they want. I am sure that he will have the opportunity to put forward his view in a moment.

I shall return to the point raised by my hon. Friend the Member for Bolton, South-East, for whom I also have huge respect. He is very knowledgeable about these matters, and he is right. I will not jump on to the bandwagon about alcohol use, but, as a teetotaller, I believe that alcohol-related crime and deaths probably far outnumber those related to drug use. My hon. Friend is right; we need to look at this matter. I do not think that we should wait for the coroners' reports before doing what the Government are seeking to do today, however. We should act quickly and, if necessary, have an interim recommendation to the Home Secretary from the advisory council, so that he can act accordingly. This is the only lesson that we have to learn from the delays of the past 12 months. If we learn it, we will really be able to save lives in the future.

4.37 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): It is a pleasure to follow the speech of the right hon. Member for Leicester, East (Keith Vaz)—made without notes, I see—even though he was wrong. The fact that he was wrong was also confirmed by the tremendous speech made by the hon. Member for Bolton, South-East (Dr. Iddon). Despite my warning to the right hon. Member for Leicester, East not to be dazzled by titles such as "Doctor" or "Professor", I acknowledge that the hon. Member for Bolton, South-East is indeed an expert in this area. He must be mortified by the way in which drug policy has been handled in this country over the decades—and, increasingly, now—by politicians and by the media. I say that not because he is some kind of drug-crazed libertarian; I know that he is not. I spend time with him on the Science and Technology Select Committee, and I know that he is concerned about ensuring that we have the right evidence-based policies and that the harms are minimised. That means not always jumping to the beat of the tabloid press. He was right to point out that the report produced by the Advisory Council on the Misuse of Drugs, which everyone is praising, makes it clear that we cannot say that the 25 deaths linked to the use of mephedrone were caused by mephedrone.

Keith Vaz: Will the hon. Gentleman give way?

Dr. Harris: I want to make some progress first.

The position of the Liberal Democrats is that we should, by and large, follow the properly formulated advice of the ACMD, as it is an expert body. We have said that on previous occasions. We do not know that that advice was not properly formulated, and, working on the basis that it is indeed sound, we support the statutory instrument that the Government have proposed, as well as the ban on mephedrone, and its classification as a class B drug. That does not mean, however, that we should suspend all inquiry into some of the issues and possible consequences of the decision.

Allegations have been made that the Advisory Council on the Misuse of Drugs, which gave this advice, was not properly constituted, that the advice was not correctly considered—these are concerns coming from within the ACMD—and that although it did its best, it had to make recommendations based on inadequate data. I think that those concerns are framed by the contributions made not only by the Chairman of the Home Affairs Select Committee, but by the Conservative spokesman, to the effect that the ACMD was hampered in its work and there was delay, because it was short of its chairman for quite some time and suffered a number of resignations.

When the ACMD makes a recommendation, the Government are, of course, entitled to accept or reject it. If the Chairman of the Home Affairs Select Committee read the excellent report by the Science and Technology Select Committee on how to use scientific advice, he would see that that unanimous report—there was considerable input to it from the hon. Member for Bolton, South-East—made absolutely clear the Committee's view, which is also the Liberal Democrats' view, that politicians who are accountable should make these decisions, and that the role of advisers is to give advice.

The key thing is that politicians must consider that advice, and when they reject it they should be very clear about why they reject it, so that they cannot pretend that they are taking the advice and basing their policy on evidence when they are not doing so. It is perfectly legitimate for politicians to base their policy on things other than the evidence, such as manifesto commitments, ideology—if hon. Members remember that term—economics or other matters. They can even base it on their desire to kowtow to the tabloid media. They will then be accountable for all those things; what they should not do is claim that they are taking an evidence-based approach when they are not.

Keith Vaz: I agree to this extent: the hon. Gentleman is coming round to the view that scientific advice is, in the end, only advice, and that what the Government have done represents the right approach. People can advise, but at the end of the day Ministers have to make the decision.

Dr. Harris: I have not come round to that; it was my position five years ago. If the right hon. Gentleman looked at the record, he would find that that is what I have been saying. The point is, however, that what we cannot do—I hope the right hon. Gentleman will agree—is so to bully our advisers, or threaten them with the sack if they give the "wrong" advice, that they provide the advice that they think Ministers want to hear. It ill behoves the Conservative spokesman, particularly in view of the BSE fiasco, not to bear in mind the very clear conclusions in the Phillips report of 2000, which said that scientific advisers should not have to go back and do it all again because the Minister is not happy with the content of the advice. We must have clear published advice, and the Government must consider it properly. I shall return to this issue again in a few moments.

[Dr. Evan Harris]

What the ACMD usually does is consider the harms that drugs cause, and then consider the harms of illegality. It is important to be aware that there are risks and benefits both ways. There is no doubt that mephedrone is harmful. Although I am only a medical doctor, my advice to people is very clear—that they should not take this drug. I am possibly one of the few Members who can say that they have never taken an illegal drug, which may say something about my university time, as I was never offered it. I am also very clear and passionate about alcohol abuse and, indeed, nicotine abuse.

It is nevertheless important to recognise that banning a drug has potential harms, and these are aspects that we would expect advisers to consider. First, the purity will be impacted by the substances with which the drug is cut by people illegally peddling it for profit. Secondly, criminal gangs can take over. Indeed, in paragraph 6.6 of its report, the ACMD points out that in Guernsey, where mephedrone was banned, criminal gangs have taken over and violence is now associated with accessing the drug, which was not the case previously. Although the ACMD listed that under "Societal Harms", it is actually a harm of criminalisation.

Thirdly, users—if they are not prevented from using the drug—will be driven into the hands of those who want to sell them even more addictive and more harmful substances. Alternatively, they will turn to another substance which is still legal and may be more harmful. Furthermore, a ban may cause the price to rise, and acquisitive crime is more likely to be committed by people who are addicted to the substance. That is a logical consequence. I accept that drugs ruin lives, but criminal records ruin lives as well. Criminalising people, whether they are under 18 or young adults, has a consequence for those people which we cannot discount.

I have not heard a word about any of those issues in the media coverage, or from the Minister or the hon. Member for Hornchurch (James Brokenshire). I think it wrong for Ministers, or people who want to become Ministers, not to address any of the potential downsides of the policy. I still support what the Government are doing, but at least I have considered those issues, and I question whether the ACMD had a chance to do so. I urge the media, when they see parents of young people who are upset that their child, or young adult son or daughter, is using the drug and bemoan that fact, to bear in mind that banning it will not cure the addiction.

Paragraphs 5.12 to 5.17 of the ACMD report deal with deaths. The report states that

"There have been at least 18 deaths in England where cathinones have been implicated"

and that

"There have been at least seven deaths…where cathinones have been suspected."

It continues:

"Currently, seven of these"—

the 18 deaths in England—

"have provided positive results for the presence of mephedrone at post mortem. To date, in one case the coroner concluded that the death was 'natural' and that an inquest was not required. The remaining cases are awaiting inquest."

We know, then, that one case was a "not" and the others are only "maybes".

I shall not repeat what was said by the hon. Member for Bolton, South-East about poly-drug use, but this drug is used in combination with other drugs, which may themselves be the cause of death. The same applies to the other reported deaths. I do not for a moment minimise the potential impact of the drug, but we must think carefully before stating as facts things that are not facts. We are all entitled to our opinions, but we are not entitled to our own facts.

I realise that there is not much time for the Minister to respond, but I want to say a bit more about the ACMD. As the hon. Member for Hornchurch pointed out, the problem lies not with the ACMD but with the Home Secretary. However, I should like to know whether the hon. Gentleman, who seeks to be a Minister, thinks that Professor Nutt should have been sacked for the lecture that he gave at King's college, as professor of neuropsychopharmacology at Imperial college, and, if so what he should have been sacked for. I tried to ask the hon. Gentleman that, but he would not allow me to intervene, which is not a good sign. Someone who wishes to become a Minister dealing with these matters should be expected to be able to answer questions of that kind, whether they come from parents, enforcement agencies or experts.

I invite the hon. Gentleman to tell us now that he agrees with the Home Secretary—and the shadow Home Secretary, who needs as much help as possible at the moment—that Professor Nutt should have been sacked, and should have been sacked earlier. If he does end up as the Minister, he will find that, on that basis, people will be unwilling to give him the advice that he seeks.

I have written to Lord Drayson asking whether the Government's own principles for the treatment of scientific advice were not breached five times last week by the Government, who acted not just without considering the report—which they were bound to consider under the Government principles issued on Budget day—but before it had even been published. In fact, according to Eric Carlin, who resigned last week, when the chair of the ACMD left to brief the Home Secretary for a press conference the ACMD had not even finished the report. The Government responded to the press not only on a report that had not been considered, that had not been published and would not be published for three days, but on a report that had not yet been completed. That makes a travesty of the advisory process.

If, as a result of that, this statutory instrument, if—or rather, I suspect, when—it is passed by both Houses, is challenged in the courts as being ultra vires and the Government lose the case, something which, as has been said, should have been done much earlier, will be delayed by months. The Government will find that people are unwilling to give advice if they break their own rules and pre-empt the work of the experts. The Government do not have to take that advice, but they promised to consider it properly and I do not believe that in this circumstance, they did so. Although the Liberal Democrats are happy to support the order, it is with sadness that we do so at a time when the advisory system on which we rely for proper policy is in crisis. It is not just the Government who suffer if they do not get good advice; we all suffer, because we end up with bad policy.

4.50 pm

Mr. Alan Campbell: In the short time available to me, I wish to comment, in reverse order, on the main points that have been raised. The hon. Member for Oxford, West and Abingdon (Dr. Harris) made a number of serious allegations. The first was that the ACMD was not properly constituted when it came to this decision; we reject that view. He said that evidence was not properly considered; we reject that view. He said that this decision was based not on evidence but on tabloid headlines; we reject that view. He said that advisers were bullied and threatened by Ministers into making this decision; we reject that view, too. The hon. Gentleman needs to examine the evidence that the chair of the ACMD gave to the Select Committee on Home Affairs on 23 March—I believe that was the date—because he would then see that the relationship is very different from the one that he describes. If the hon. Gentleman is so concerned about the process that we have gone through, and so concerned that the principles on which he relies for good decision making have somehow not been matched on this occasion, he should stick to his principles and to the logic of his arguments and oppose this order, instead of trying to dance on the head of the pin with the logic of his argument.

One of the allegations made by the hon. Member for Hornchurch (James Brokenshire) was that the Government have "downplayed" drugs seizures during our time in office; that is not true. He talked about the work of the Serious Organised Crime Agency and the UK Border Agency, and I have outlined their response to the issue before us. There is a fundamental misunderstanding in the question that he asks, because SOCA does have a role to play. However, it often has a role to play downstream; it is no good simply strengthening borders—we are, however, doing that—because we have to address the issue of drugs further downstream.

My hon. Friend the Member for Bolton, South-East (Dr. Iddon) raised the issue of poly-use and of drug and alcohol use. I welcome his contribution, because what he says is right. Whoever carries out this role after the general election, and whichever party is in government, they and this House will have to return to this issue, because it is important.

My right hon. Friend the Member for Leicester, East (Keith Vaz) again raised the issue of policy at a European level. There is disagreement among European countries about the best way to develop drugs policy, but there is a growing acceptance of the need for a harm-reduction approach. I also very much welcome the evolving approach of the new Administration in the United States.

4.52 pm

One hour having elapsed since the commencement of proceedings on the motion, the Deputy Speaker put the Question (Order, this day).

Question agreed to.

Resolved,

That the draft Misuse of Drugs Act 1971 (Amendment) Order 2010, which was laid before this House on 30 March, be approved.

Debt Relief (Developing Countries) Bill

Consideration of Bill, as amended in the Public Bill Committee.

Clause 9

DURATION OF ACT

4.53 pm

Mr. Edward Leigh (Gainsborough) (Con): I beg to move amendment 2, page 6, line 32, leave out subsection (3).

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss amendment 3, page 6, line 37, leave out subsection (6).

Mr. Leigh: These are simple probing amendments. This Bill is clearly important, and it will have to be considered by the other place before it becomes law. In one sense clause 9 is clear, because it says:

"This Act expires at the end of the period of one year beginning with commencement".

At first sight, that would appear a perfectly sensible provision, because one presumes it would give time for the House and the Government to consider whether a more permanent Government Act should be placed on the statute book. I think that sunset clauses, as they are described, might often perform a perfectly useful purpose, especially when we are dealing in areas such as this, which have not been tested sufficiently by the Government and by courts in the past.

Subsection (1) is quite clear. My amendment is purely a probing amendment, which will give the Minister an opportunity to explain what is going on. It states that we should leave out subsection (3). Subsection (1) states:

"This Act expires at the end of the period of one year beginning with commencement",

which is fair enough. However, subsection (3) states that

"The Treasury may by order provide that this Act has permanent effect."

That is what I am slightly worried about. If this Act is to have permanent effect—after all, we are talking in terms of the wash-up of Parliament, and this is a private Member's Bill involving the Government in difficult areas—I would prefer to have more protection for Parliament. Why can the Government just decide that the Act should have permanent effect? If this Act is to have permanent effect under subsection (3), why does subsection (1) state that

"This Act expires at the end of the period of one year"?

This is purely an opportunity for the Minister to explain his thinking. Presumably, he can come to the Dispatch Box and give all sorts of reassurances to Parliament. He can say that there will be a proper debate and proper evaluation. I have been doing interviews today in the context of my role as Chairman of the Public Accounts Committee about there always being proper evaluation of value for money. I am sure that the Minister can reassure us on this point.

My second amendment, which also relates to clause 9, would leave out subsection (6). Again, I hope that the Minister can help me on this. I have no particular axe to grind one way or another. I am neither in favour of the Bill nor against it but I presume that the Minister can explain to me in simple language what on earth subsection (6) means—I have tried to understand it; but I am totally confused. It states:

[Mr. Leigh]

"If this Act expires by virtue of this section... the Act is to be treated as never having been in force, and...accordingly, where...a judgment was given, or order or arbitration award made, on a relevant claim (as defined by section 5(2)) while the Act was in force, and...the amount of the judgment, order or award is, as a result of section 3, less than it would be if that section had not applied in relation to the claim, the amount of the judgment, order or award is to be treated as equal to the amount it would be if the section had not applied in relation to the claim."

You are a much cleverer man than me, Mr. Deputy Speaker, but if you understand that I pay tribute to you—I have always paid tribute to you for your high intelligence. I simply do not understand what that means and I hope that this most excellent and skilful Minister will be able to explain and justify subsection (6) to the House, so that we can proceed without further ado.

Ms Sally Keeble (Northampton, North) (Lab): I am pleased that this Bill has made it into the wash-up. It is a tribute to the business managers all round that that has happened. There is cross-party support for this important Bill. I am very sorry that my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) is ill again, and I am therefore standing in for him.

It is a great shame that the hon. Member for Gainsborough (Mr. Leigh) did not talk to those on his Front Bench about the sunset clause. The arrangement for the sunset clause was agreed with his party. Given that he is a senior member of that party, I would have hoped that the terms of the clause would have been discussed very carefully, and if issues were unclear they could have been clarified in the meantime. I will go through some of the political points about his amendments and then some of the technical points and explain why, as the person who has been taking the Bill through the House, I do not support them.

Mr. William Cash (Stone) (Con): I am sure that the hon. Lady knows that I am extremely keen on all help that can give a reasonable footing to third-world and developing countries. However, I am a little puzzled about the reference to a sunset clause, because the Bill clearly states that the Act "expires at the end" of a period "beginning with commencement", but it is also subject to two other subsections that would mean that the sunset would be

"at the end of the period of one year"

or that the Act would, by order, have permanent effect. I am not quibbling about the content of the Bill.

5 pm

Ms Keeble: I am going to be quite honest about this. Opposition Members have to make up their minds about which side they are on. On Second Reading, another Member said:

"My heart goes out to the people of heavily indebted poor countries." —[*Official Report*, 26 February 2010; Vol. 506, c. 580.]

He then proceeded to block the entire Bill from going through, to the outrage of many members of the public. There is no point in saying that one is really upset about the position of third-world and developing countries and then raising all kinds of objections.

Mr. Cash: Will the hon. Lady give way?

Ms Keeble: No, I will not. The hon. Gentleman's colleagues on the Front Bench, who have behaved entirely properly throughout this process, have described the measure as a sunset clause, and so it is. It was their measure, and they also got in the measure for making the Bill permanent. If the clause were taken out, the effect would be that the Bill would continue for more than one year. There has to be an annual vote on it, because there is no provision for anything else. I asked in the Library and, in the short time available, the only Acts that we could think of that are so demanding of parliamentary time and attention that they have to be renewed annually are terrorism legislation and the Finance Acts. I am sure that the hon. Member for Gainsborough, who is the Chairman of the Public Accounts Committee and is therefore very concerned about efficiency and proper functioning, would think that, important though the Bill is, it is not on the same level as terrorism legislation or the Finance Acts, but that would be one effect of his amendment.

Mr. David Drew (Stroud) (Lab/Co-op): If we were to pass the Bill into statute and then, a year later, effectively let it wither on the vine, what message would we be sending to the developing countries that are looking for our support in this area? Surely that is the point.

Ms Keeble: My hon. Friend is exactly right. The other side of the argument is that it was important to ensure that we had cross-party consensus, given that the legislation was complex and that we were coming to the end of the Parliament. It was also thought important to ensure that there was a proper way forward and that there was provision for a new Parliament to take a further look at the matter. My hon. Friend is right and I am sure that these issues will be debated again.

Amendment 2 would remove subsection (3), which means that the Bill would require annual renewal. It would be damaging and unsatisfactory for heavily indebted poor countries to have unresolved commercial debt claims hanging over them, particularly when there remains a possibility of those being aggressively enforced for their full value in spite of the debt relief provided by others. HIPC Governments have made clear the real economic costs resulting from the deterrent to trade and investment that such unresolved claims could create. If the Act remained temporary, with the possibility of expiring within a year, a commercial creditor who might consider seeking full repayment would have a disincentive to settle their claim, because if they held on to it and the Act expired, they would be able to pursue 100 per cent. repayment. The Bill, as introduced, did not create that incentive for creditors to hold on to their debts in the hope that the Act would expire, as it would have taken permanent effect immediately.

Mr. Leigh: That is fine, but then why did the hon. Lady put subsection (1) in her Bill?

Ms Keeble: I shall come to that. First, I am going to go through the hon. Gentleman's comments on his amendments, because there were some contradictions in relation to amendment 3.

Originally, the Bill did not create an incentive for creditors to hold on to their debts in the hope that the Act would expire, as it would have taken permanent

effect immediately. That risk was one reason for the caution about including the sunset clause. However, the problem would be considerably worse if the Bill provided no option, short of new primary legislation, for the Act to take permanent effect.

If Parliament is satisfied at some future point that the Act has caused, and is causing, no significant damage to the operation of financial markets, then it should be able to approve, by affirmative resolution, its taking permanent effect. That is a proper way to provide for the orderly management of these very difficult debts in heavily indebted poor countries. There has been extensive discussion of this Bill, but part of the purpose throughout has been to make sure that we use the existing procedures of the HIPC programme to provide stability and security to the countries involved.

I turn now to amendment 3. The hon. Member for Gainsborough has said that he cannot understand clause 9(6), but it makes arrangements for handling the debt if the Bill is not confirmed. The result of that would be two classes of creditors: the first would be made up people who had taken action after the Bill fell and who would therefore be able to sue for the full amount, and the second would consist of people who took action for the one year that the legislation was in force. The second group would find that the value of their claims would be knocked back, because the legislation would allow them to pursue only that certain percentage of their debts that was approved by the HIPC procedure. The purpose of clause 9(6) is therefore to restore equity between the different classes of creditors.

As I have said, although the Bill looks quite complex, the principles behind it are simple. One of those principles is that there should be equity between different classes of creditors. If the amendment were accepted, a mechanism for restoring that equity would disappear, with the result that creditors would have no incentive to pursue their debts in the interim period when the legislation is in force. They will think, "Perhaps it won't be renewed, so we'd better not go to the courts now and just hang on instead." That would mean that the HIPC countries would still have their debts hanging over them, and also that creditors would receive less justice in the end. That would be the impact of amendment 3, and I do not think that that is what the hon. Gentleman intends. If the legislation were to fall for some reason in the next Parliament, I think that he would probably prefer to see justice restored for those creditors who had taken action while it was in force.

Amendment 2 would give the Act that this Bill will become equal status, in terms of parliamentary time, attention and renewal, with much more substantial pieces of legislation. It would have to keep being renewed every year, and there would be no provision to make it permanent. However, I think that the Opposition's intention was to ensure that a new Parliament could scrutinise the legislation and decide whether it was what was needed. If it was, and if it was working properly, that new Parliament could make it permanent.

The impact of amendment 6 would also not be what the hon. Member for Gainsborough intends, as it would delete the mechanism for providing justice and equity to all classes of creditors, if a new Parliament decided not renew the legislation.

Mr. Leigh: May I ask one other question? Can the hon. Lady assure me that there will not be very expensive lawsuits as a result of this Bill? Will it be sufficiently clear, so that we can avoid this becoming a matter of just lawyers, lawyers, lawyers?

Ms Keeble: The hon. Gentleman is absolutely right. One problem has been the cost of lawsuits, which is in part why the Government and other donors have set up a fund to enable developing countries to deal with some of the lawsuits that have arisen as a result of the vulture funds. I am sure that my hon. Friend the Economic Secretary will want to say more about that.

Furthermore, there is a real perception that there is no system—that it is all down to the courts and that there is no mechanism—whereas in fact although the measure is a Treasury Bill, it draws on existing international development procedures for the management of developing country debt. In previous discussions, we described the amount of public sector debt and noted that much of it has been written off. A total of about £4.5 billion was private sector debt. A lot of the debt has already been managed. The legislation would deal with the completely unreasonable creditors—the vulture funds, which involve people who operate outside the rules.

There are already internationally recognised mechanisms to determine the value of debt. If the hon. Gentleman had been in the Chamber on Second Reading, he would have heard the hon. Member for South-West Hertfordshire (Mr. Gauke) claim from the Front Bench credit for his party for taking the lead on the management of developing country debt. On the Government Benches, we tried not to heckle or intervene when the hon. Gentleman took the credit, but there is no dispute about the fact that there are proper mechanisms. The only issue is to make sure that they apply to vulture funds, whose activities rightly outrage so many people not only in the UK but across the world.

The hon. Member for Gainsborough asked about the provision on the duration of the Act. The amendment was included at the behest of Conservative Front Benchers. It was a sunset clause for a year to give a new Parliament an opportunity to look again at the legislation, to make sure that we were not in Dangerous Dogs Act territory, where legislation was passed without scrutiny. There will be a chance to look at the detail and the working of the measure, so that it can pass into legislation.

I hope that I have answered the hon. Gentleman's concerns.

Mr. David Gauke (South-West Hertfordshire) (Con): We are pleased that the Government have found time to bring the Bill back to the House on Report and that we have an opportunity to complete its remaining stages. I thank the hon. Member for Northampton, North (Ms Keeble) for her remarks about the cross-party co-operation on the Bill. I hope we can maintain that spirit for the rest of the afternoon.

In addressing the amendments, it may help my hon. Friends if I explain the thinking behind clause 9, which, as the hon. Lady pointed out, was an amendment we proposed in Committee. It was drawn up in conjunction with the parliamentary draftsman and there was cross-party co-operation. The thinking behind the provision is as follows. We all want to help developing countries. We are all concerned about the activities of vulture funds, but it is recognised by the hon. Lady—the Bill's sponsor—the Government and the Opposition that we need to get

[Mr. David Gauke]

the measure right. It is important that its provisions are carefully calibrated, because if we prevent creditors from enforcing debts against developing countries, there is a risk that they will not lend to developing countries in future. The law of unintended consequences could apply and we could make things worse for developing countries. Nobody wants to do that, which is why the Bill is carefully calibrated to apply only to heavily indebted poor countries. It relates only to past debt and not to future contracts. Future lending agreements can be enforced unaffected by the Bill.

Concern was frequently expressed by industry bodies during the Treasury consultation that the Bill might send the message that creditors in the UK could not enforce debts against developing countries and that that could be applied more broadly. As part of the consultation, it was pointed out that those possible spill-over costs would be difficult to assess. For example, would a risk premium be applied to developing countries that would make it harder for them to obtain credit?

5.15 pm

The solution to the problem that we proposed, which the Government and the hon. Member for Northampton, North accepted in Committee, was clause 9, which is essentially a sunset clause. The thinking behind the clause is that we should accept the Bill. However, although it has been given sufficient time to proceed in this House, it will not get the full scrutiny in the other place that such a Bill might otherwise receive. Even if it did receive such scrutiny, however, some things would not become clear until it came into force, so we proposed a mechanism that would make it possible in the 12 months following enactment to assess the Act's effect on the risk premium paid by developing countries and the number of debts—again, there is uncertainty and disagreement on this point—that could not be enforced at their full amount.

Mr. Cash: My question is really only about the accuracy of language. When we use the expression "sunset clause", we usually mean that as a result of various procedures, and after a period of time, a provision will cease to have effect. However, there is some confusion, as exactly the opposite seems to be provided for by clause 9 because it can give the Bill permanent effect, rather than causing it to cease. To make things clearer, may we use an expression other than "sunset clause"—perhaps by referring to a "sunlight clause"?

Mr. Speaker: Order. Interventions should be brief at the best of times—they should not be mini-speeches—but there is a premium on such brevity now because we have a very real time constraint and other hon. and right hon. Members might wish to speak.

Mr. Gauke: I would always take guidance on terminology from my hon. Friend the Member for Stone (Mr. Cash), but clause 9 does contain a sunset provision because subsection (1) provides that the legislation shall expire after 12 months. However, the clause includes additional provisions that allow the Treasury, by order, to renew the Act for a further 12 months or to give it permanent effect. The advantage of including both approaches—this deals specifically with amendment 2—is that it gives the Treasury the flexibility to assess the effect of the Bill. It is quite possible that a Select Committee will want to investigate the effect of the legislation in the early months of the next Parliament. We could then be in a position to make an informed judgment about the Act. We might be unsure about some concerns, in which case we could give the Act another 12 months and look again, but if the concerns can be dismissed after we have seen the way in which the Act has worked for 12 months, we can accept that it should have permanent effect.

Mr. Leigh: I am pleased that I tabled amendment 2 because we have had a debate about the law of unintended consequences. That is a serious point because the Bill could militate against developing countries. My hon. Friend might be fortunate enough to become the Treasury Minister with responsibility for the legislation, but does he think that 12 months is sufficient time in which to assess this complex area? What sort of plans does he have? I assume that he will not give a commitment either way now, but he might say later that we should have a further year of consideration.

Mr. Gauke: That is possible under the clause as it stands: it gives Ministers in the next Government, whoever they are, an opportunity to assess what is happening to the risk premium, the levels of debt affected, and the implications of the legislation. If it turns out that 12 months is insufficient, there is the possibility of extension for a further 12 months. I think that the provision adds to the Bill.

Let me say why I think this debate is helpful. Parliament is dealing with the matter sensibly, recognising the potential dangers and treading carefully. That is a good message to send out. The concern about the risk premium centres not on the Bill itself, but on the possibility that it will become a precedent for a future Bill that prevents the enforcement of future debts. No doubt some in this House would argue that that would be a great thing to do, but it would pose significant dangers for developing countries. The element of caution provided by the sunset clause is sensible, and subsection (3) is an important part of that.

The hon. Member for Northampton, North spoke about subsection (6) and how it would be wrong to allow a situation to arise in which those debts enforced during the period in which the measure is in force were treated differently from those that were pursued subsequently. That would have an impact on which debts were enforced and, in some respects, damage the credibility of the legislation. Subsection (6) is therefore helpful.

I shall bear in mind your strictures, Mr. Speaker, as I realise that many hon. Members wish to speak, whether on the amendments or Third Reading. I am grateful to my hon. Friend the Member for Gainsborough (Mr. Leigh) for raising his queries, but I believe that clause 9 as it stands is beneficial. It strengthens both the Bill and the next Parliament's ability to deal with these matters in greater detail, when the opportunity arises.

The Economic Secretary to the Treasury (Ian Pearson): I appreciate the probing spirit in which the hon. Member for Gainsborough (Mr. Leigh) tabled the amendments. I do not feel the need to add to the comments made by my hon. Friend the Member for Northampton, North

(Ms Keeble) and the hon. Member for South-West Hertfordshire (Mr. Gauke). Given your strictures, Mr. Speaker, it would not be right to explain for the third time why the clause is structured as it is and why the amendments are unnecessary.

Mr. Leigh: Will the Minister give way?

Ian Pearson: I will give way to the hon. Gentleman, but I assume that he listened to the arguments made by my hon. Friend and his.

Mr. Leigh: I have listened to the whole debate, but I want to know what the nature of the assessment will be. We are dealing with a highly complex matter relating to developing countries. What assessment will be made and how will the Treasury conduct that assessment over the next 12 months?

Ian Pearson: I assure the hon. Gentleman that the Treasury will look at all the available evidence on the potential market impact of the measure before seeking an affirmative resolution to give it permanent effect, or to extend it for a further year. Clearly, our aim during the Committee stage was to respond to the concerns expressed by those who argued that the legislation could have an impact on future lending decisions that would be to the disadvantage of developing countries. No one wants that to happen.

We think that the Bill introduced by my hon. Friend the Member for Denton and Reddish (Andrew Gwynne), who sadly cannot be with us today—we wish him a speedy recovery—is carefully calibrated, as the hon. Member for South-West Hertfordshire says. We are confident that, when the assessment is conducted, there will be no evidence of any significant market impact. None the less, it is right that we take a belt-and-braces approach, which is why we were happy to accede as we have to the arguments of those who expressed doubt. With that in mind, I urge the hon. Member for Gainsborough to withdraw the amendment.

Mr. Leigh: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Third Reading

5.25 pm

Ian Pearson: I beg to move, That the Bill be now read the Third time.

I congratulate my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) on his Bill, which is likely to be very effective in providing relief to developing countries and in ensuring that they are not exposed in future to what is frequently called vulture fund activity.

I pay great tribute to my hon. Friend the Member for Northampton, North (Ms Keeble), who is a long-standing champion of the world's poorest countries. She is a strong and very effective campaigning voice when it comes to helping the world's poorest, and indeed standing up for the rights of her constituents. I am glad that she has been able to take the measure forward.

It is important to recognise the wider context relating to heavily indebted poor countries and the initiatives that the Government have taken. Since 2000, the UK has committed $9.7 billion to debt relief, according to OECD figures. We have always gone beyond the requirements of the HIPC initiative, and have provided 100 per cent. debt cancellation when countries complete the initiative. As a result of the actions that we have taken, there have been major benefits to various countries. Under the HIPC initiative, Tanzania has been helped to increase the number of its children in primary schools by more than 50 per cent., built almost 2,500 new primary schools, and recruited 28,000 extra teachers. Mozambique has similarly made significant strides. It has more than tripled its poverty-reducing expenditure as a result of the HIPC initiative.

However, although the Government have taken a number of non-legislative steps through a range of initiatives, we have always believed that there remains a problem. The problem of vulture funds can be fully tackled only through legislation that restricts commercial creditors from recovering more than a fair amount of the debts of the world's poorest.

I welcome the cross-party consensus on the Bill. The hon. Member for South-West Hertfordshire has been a strong supporter of it, but has rightly raised some concerns, as one would expect. I also pay tribute to the right hon. Member for North-West Hampshire (Sir George Young), who also speaks for the Opposition, and who made clear his support for the Bill. I know that he is a long-standing supporter of the issues, too.

We recognise that the issue is complex, but the economic logic for legislating is strong and received wide agreement during the Bill's earlier stages. The targeted nature of the Bill provides an incentive for debtors to settle claims on terms compatible with debt relief. The measure introduced by my hon. Friend the Member for Denton and Reddish, and so ably supported and taken forward by my hon. Friend the Member for Northampton, North, will prevent a minority of creditors from litigating to extract payment in excess of that provided for under the HIPC initiative using the UK's laws and courts. The Bill will protect creditors' rights to recover the proportion of their debt that is consistent with the HIPC initiative, so the vast majority of commercial creditors, who already comply with HIPC terms, will not be affected.

We built safeguards into the legislation in Committee, and as I have said, we were happy to co-operate in doing so. The Bill is in good shape—it is excellent—and I hope that the House will agree to it this afternoon.

5.29 pm

Ms Keeble: I shall be brief, as I know that others also wish to comment. I am proud to have taken responsibility for the Bill. I am only sorry that my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) was unable to do so, although I suspect that he is watching our proceedings on television, as he has before. The Bill has cross-party consensus, but coming at the end of the Session it has had quite a difficult passage through Parliament. I hope that when it reaches the other place it will have a fair wind and that there will not be extraneous, last-minute objections to it.

The political and moral arguments for the Bill were won a long time ago. The only issue that has remained is whether there is the political will to put it on the statute book before the end of this Session. The fact that we have taken it so far, with the support of the business managers, and the fact that it is on the cusp of becoming law, shows that this Parliament can respond to the

[Ms Sally Keeble]

concerns of the general public and the great upsurge of support that there was for this legislation, and the revulsion, indeed the moral repugnance of which my hon. Friend the Minister has previously spoken, against the activities of the vulture funds, which cream off the money that is intended to help the poorest people in the world, and instead deposit it in bank accounts in offshore tax havens.

This is a landmark Bill. It is the first of its kind. The US Congress has introduced similar legislation, but it has not got through there yet. This country is a hub for financial services and a world leader in international development and debt relief, and there has been enormous cross-party and public support for the stance that the Government have taken. We have also shown that we can clamp down on the abuses.

The Bill will make a difference to UK taxpayers because it will stop their money that has gone into debt relief being creamed off into vulture funds, and it will make a big difference to the lives of some of the poorest people in the world. One hundred and forty-five million pounds might not sound much when it is compared with the bankers' bonus pool, but it is about 40 per cent. or more of the entire budget of some the poorest of the developing countries.

I hope that the Bill passes quickly through the other place and ends up on the statute book, where it will stand as a real reminder of the outstanding work in this Parliament to respond to the priorities of the public and to protect some of the poorest people in the world.

5.32 pm

Mr. Gauke: As I said earlier, we welcome the fact that the Bill has returned to the House and that time has been found for it. The Opposition supported the Bill on Second Reading, we co-operated in ensuring that there was an early Committee stage, and we tabled an amendment that we discussed a moment ago, which was accepted by the Government and the Bill's proposer. It is unfortunate that there was some controversy, which the Government were guilty of whipping up, when the Bill did not reach Report stage or Third Reading. As the Government are well aware, we did not object to the Bill progressing. We did not collude in its being objected to, although it would be fair to say that it is usual that private Members' Bills that have not been debated on Report or Third Reading do not progress. Our argument has always been that it is a question of the Government giving time for this Bill. We are delighted that, after some initial reluctance, the Government have brought the Bill back. It was always in the Government's hands to do that. The hon. Member for Northampton, North (Ms Keeble) mentioned the support of the business managers, and I would make particular mention of my hon. Friend the shadow International Development Secretary, who has been supportive of the Bill and has taken a close interest in it both in front of and behind the scenes. It is good that the Bill has returned to us, and once again, as it completes its Third Reading, the Conservatives will not oppose it.

There are matters of legitimate debate, such as ensuring that the law of unintended consequences does not apply, and that we do not inadvertently make life more difficult for developing countries. However, the point that I made at earlier stages is that, to some extent, the Bill provides an insolvency procedure for developing countries that find themselves in great difficulty, because they will be able to reduce their debts equitably and share them out among creditors, whereas without such a mechanism no creditor would receive anything, or such payments would be made inequitably. For those reasons, we are very happy for the Bill to proceed, and I congratulate the hon. Member for Northampton, North on the way in which she has progressed the matter.

Finally, I think that this will be my last opportunity to debate with the Economic Secretary to the Treasury, the hon. Member for Dudley, South (Ian Pearson). It has been a great pleasure to shadow him—in part, along with my hon. Friends—over the past couple of years or so. He has always been a great pleasure to work with; he is a man of great integrity and hard work; and I think that I speak on behalf of all my colleagues in wishing him well for the future.

Several hon. Members *rose—*

Mr. Speaker: Order. Three right hon. and hon. Members are seeking to catch my eye. We have only 17 minutes remaining, and I should like to accommodate all three, so Members can do the arithmetic for themselves.

5.36 pm

Mr. Mark Oaten (Winchester) (LD): Thank you very much, Mr. Speaker. I can speed things up by putting on the record the genuine cross-party support that there is for the Bill. The Liberal Democrats are certainly delighted to see it go forward at such a pace. Many of us who have attended Inter-Parliamentary Union and Commonwealth Parliamentary Association conferences throughout the world have visited countries, spoken to some of the political leaders of debt-ridden countries and shared their frustration not only at the difficulties that they have had in dealing with debt, but the legal difficulties that they have faced due to the private acquisitions that have been attempted against them. So, those countries will welcome what has happened today in Parliament.

I, too, congratulate the Members behind the Bill, and in particular the hon. Member for Northampton, North (Ms Keeble), who has spoken so eloquently to it. However, the House should also congratulate those campaigning organisations outside Westminster, such as Jubilee 2000 and many others, which have kept on and on at Governments of all parties. Those groups should share our congratulations on the work that has been done.

The Liberal Democrats are certainly very pleased that the Bill has made such progress, and I am sure that we will do all that we can in another place to ensure that it progresses to a conclusion.

5.37 pm

Sir Gerald Kaufman (Manchester, Gorton) (Lab): If this is the final speech that I make in this Parliament, I cannot think of a more worthy piece of legislation on which to speak. I congratulate my hon. Friend the Member for Northampton, North (Ms Keeble), who pioneered the original Bill and, when my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) fell ill, took the legislation back over and has steered it with immense knowledge and aplomb. I am sure that

the whole House would like to send my hon. Friend the Member for Denton and Reddish its best wishes for a speedy and full recovery.

The Bill has reached this stage not only because of the co-operation of Government and Opposition Front Benchers and the work of my two hon. Friends, but because of the great pressure outside the House from people who care. I pay tribute to many of my constituents who have rightly put pressure on me and other Members to get the Bill this far. In particular, I thank the congregation of Holy Innocents' church, Fallowfield, for its work on development and aid, and Mr. Stephen Pennells, who is its spokesman, although by no means, as he will acknowledge, the only activist on these matters. The House is passing a Bill this afternoon that will benefit a very large number of people who may not even learn that it exists. It is a worthy little coda at the end of this Parliament, and I thank everybody involved for their work.

5.39 pm

John Battle (Leeds, West) (Lab): Having served for the past 10 years on the Select Committee on International Development, it is a proud moment for me to say a few words in support of the Bill, which has all-party support. I know that we are at the end of the Parliament and there is a rush to get things through, and I listened carefully to the probing amendments tabled by the hon. Member for Gainsborough (Mr. Leigh), but for us to have got to this stage on a Bill that will do a little more on effective debt relief for the poorest in the world is an impressionistic moment. It sends a signal that I hope will mean our country provides some international leadership, even in the heat of an election that may focus particularly on local concerns.

Debt relief counts for far more than our aid contribution, as does fair trade. Tackling debt and the undermining of the highly indebted poor countries initiative by predator-creditor litigations is crucial. The HIPC initiative has had some great successes—my hon. Friend the Economic Secretary mentioned Mozambique, and the abolition of primary school fees in Uganda has doubled the number of enrolments and decreased inequality. In Bolivia, the cancellation of debts has improved health care massively. Tackling debt is crucial, and getting a grip on the so-called vulture funds that undermine the ability to manage it is a good move and should send a clear international signal. The Bill will prevent creditors from recovering an amount in excess of what is consistent with the HIPC initiative.

I have often been reminded of a cartoon that was once produced in Mexico. A teaspoon of aid was being put on the tongue of a poor peasant, but in the meantime the grip of debt was around their windpipe. A theologian in Mexico wrote that

"the life of the poor is accumulated by the rich. The latter live the life of the rich in virtue of the death of the poor."

That was Enrique Dussel, who suggested that the poor do not live in one cycle going round one way and the rich in another, but that they are interconnected and interlinked.

We need a much better relationship between the north and the south. I have consistently argued for that. There should be a mutual relationship between the rich and the poor rather than the north patronisingly helping the south, and the debt question is central to that mutuality. It is an issue north and south, as we all now know. If I dare be so bold as to suggest it, the parallel between the activities of hedge funds and vulture funds and the sub-prime, loan-shark doorstep lenders in poorer parts of my constituency suggests that a debt relief Bill is needed here in Britain, which could include the capping of interest rates. I simply wish to put that marker down, because those who make excessive profits from low-income borrowers, including the countries and people who are least able to pay, end up buying and selling debts, recycling them, overcharging massively and making the situation even more intolerable.

I thank my hon. Friend the Member for Denton and Reddish (Andrew Gwynne), who cannot be here, my hon. Friend the Member for Northampton, North (Ms Keeble) and Ministers. With the co-operation of the Opposition parties, they have got the Bill to this stage, and I hope that it will make a continuing contribution to the alleviation of poverty and set an international trend that can be sustained in the decades to come.

Finally, I thank the people of west Leeds for their support and for the privilege of representing them for the past 23 years. Some of the actions that our Government have taken on health care and education—primary issues in the two-thirds world as well—have made a difference in my constituency, and I am proud of that fact. I leave the House with a slight spring in my step, believing that it can pass good legislation. Yes, that legislation must be presented and examined carefully and re-examined in future, but this House can make a difference and do a good job, not only here in Britain but internationally.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Mr. Speaker: The question is that leave be given—

David Howarth (Cambridge) (LD): On a point of order, Mr. Speaker.

Mr. Speaker: Order. I hope that the point of order relates to the Bill.

David Howarth: It relates to the motion, Mr. Speaker. To be clear about what the motion is asking us to do, may I ask a question about—

Mr. Speaker: Order. I apologise for having to interrupt the hon. Gentleman—it is always a pleasure to hear his points of order—but I am afraid that the short answer to his question is no. The reason is that the motion needs to be put forthwith, so the question of the pursuit of explanations sadly does not arise.

Motion made, and Question put forthwith (Order, this day),

That leave be given to bring in a Bill to appropriate the supply authorised in this Session of Parliament for the service of the year ending with 31 March 2011.—*(Mr. Timms.)*

Question agreed to.

Ordered,

That the Chairman of Ways and Means, Mr. Chancellor of the Exchequer, Liam Byrne, Stephen Timms, Sarah McCarthy-Fry and Ian Pearson prepare and bring in the Bill.

APPROPRIATION BILL

Presentation and First Reading, and remaining stages.

Mr. Stephen Timms accordingly presented a Bill to authorise the use of resources for the service of the year ending with 31 March 2011.

Bill read the First time; to be printed (Bill 86).

Motion made, and Question put forthwith (Order, this day; and Standing Order No. 56). That the Bill be now read a Second time.

Question put and agreed to.

Bill accordingly read a Second Time.

Question put forthwith. That the Bill be now read the Third time.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Mr. Speaker: I say to the hon. Member for Cambridge (David Howarth) that, as I am sure he appreciates, I intended no discourtesy to him. I am simply sticking to the very formal procedure that applies in this admittedly unusual situation.

Finance Bill

Second Reading

5.46 pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): I beg to move, That the Bill be now read a Second time.

We have come through a very difficult time in the world economy. It has required difficult choices and Governments around the world intervening in unprecedented ways to rescue the financial system, and initiatives to support the economy, businesses and families. But we made the right calls, as the latest survey from the British Chambers of Commerce and the sharp upwards revision of the OECD's UK growth forecast have underlined this morning. The damage to families and businesses has been much less than if we had let the recession run its course, and much less than the actual damage when that approach was applied in the 1980s and 1990s.

We are committed to all the tax measures that my right hon. Friend the Chancellor set out in the Budget, but we have published a much shorter Finance Bill than usual and it is focused on the key Budget measures. Some two thirds of the measures in the Bill have been aired for comment and consultation already. We are proceeding today on the basis of consent, and to be helpful to Opposition Members, I will not be moving the landline duty in clause 23 and schedule 2; clause 58 requiring financial securities from employers at serious risk of pay-as-you-earn or national insurance contributions not being paid; or clause 65 and schedule 21 on furnished holiday lettings. Those will all be in the second Finance Bill at the start of the new Parliament.

I have also tabled amendments to clause 9 that will limit the increase in cider duty to 2 per cent. above inflation, with effect from 30 June this year. That change will come at a cost to the Exchequer, and leave cider taxation out of step with other drinks. So again we will legislate after the election to confirm the existing new rate.

Mr. John Redwood (Wokingham) (Con): Before he sits down, will the Minister please supply the House with the figures showing what difference those measures will make to the revenue forecast for the immediate year?

Mr. Timms: I can give the right hon. Gentleman some of those figures, and we can perhaps return to individual figures when we consider the amendments that I have tabled. The total gain to the Exchequer from the higher rate of cider duty in a full year would be £15 million. The landline duty will start in the course of this financial year, but in a full year it is estimated to raise, from memory, £175 million, to be used in ways that he will know about. I am not sure whether there is a score against clause 58, but there is a score against clause 65 and schedule 21, which deal with furnished holiday lettings. Again from memory, if the provision was left unamended, the impact for the Exchequer in a full year would be in the order of £30 million.

Mr. William Cash (Stone) (Con): The Minister has just said, in answer to my right hon. Friend the Member for Wokingham (Mr. Redwood), that there "would be"—in

fact, he said "will be"—a certain amount, but does he not accept that he is making an enormous assumption? Not only is his Finance (No. 2) Bill, which would carry those proposals forward, not a Bill, but we are discussing the Finance Bill that is now before the House. He is stretching the bounds of imagination a bit, in assuming that the second Bill will come into effect in the way that he was suggesting.

Mr. Timms: I do not think that I am, although I may have slightly misled the hon. Gentleman: the figures that I have just quoted are given on the assumption that the Bill—with the amendments that I have outlined—is enacted and nothing further happens. I have said that if we are re-elected, we will change that, and then the numbers that I have just given will not apply.

To secure recovery, the Bill builds on the success of the measures that we have introduced so far. Our stamp duty holiday on all transactions under £175,000 gave support for the housing market when it needed it most, helping 260,000 home buyers. However, many first-time buyers still struggle, so clause 6 increases the stamp duty threshold for first-time buyers from £125,000 to £250,000. Nine out of 10 first-time buyers will now pay no stamp duty at all. To fund that change, clause 7 announces an increase in stamp duty to 5 per cent. for residential property over £1 million. Some 850,000 companies will benefit from the deferral of the rise in small companies rate. Clause 3 maintains corporation tax for small companies at 21 per cent. for 2010-11. As my right hon. Friend the Chancellor announced in the Budget, we are staging the fuel duty rise over the coming year. Under clause 12, it is up by a penny this month, which is less than inflation. Clause 13 provides for a further 1p rise in October, with the remainder in January.

The Bill helps to underpin strong and sustainable growth. Clause 5 doubles the annual investment allowance to £100,000 for expenditure incurred from this month. Some 99 per cent. of businesses will now be able to deduct all qualifying purchases of plant and machinery from their taxable profits, so we are encouraging investment and helping to support profits. Clause 4 doubles the limit for entrepreneur's relief for capital gains tax, extending the 10 per cent. rate from £1 million to the first £2 million of gains over a lifetime. Among other benefits, serial entrepreneurs and business angels will retain more of their gains in order to fund new investments and support further growth. Those are important measures, providing support for small and growing businesses. To help pay for them, the 50 per cent. levy on the excessive bonuses of bankers provided for in clause 22, which was announced in the pre-Budget report and quite widely supported in the House, has raised £2 billion—more than twice what was forecast. Clause 2 maintains corporation tax at 28 per cent.—the lowest rate in the G7—maintaining the UK's position as one of the best places to do business in the world.

The Bill provides the key tax measures to halve the deficit over four years. Clause 1 provides for the new 50 per cent. additional rate. Clauses 24, 49, 50 and 71 provide for the restriction of tax relief on pensions for those earning over £130,000 a year, as well as for further anti-forestalling. In drawing up the clauses on pensions, we have balanced certainty—and giving people time to prepare for the changes—with the need for additional consultation. Further work is still needed on what is done for individuals in special circumstances, on contributions for members of defined benefits schemes, and on obligations on scheme administrators. Whenever we can, we will publish draft regulations and primary legislation early to give people a chance to comment. In particular, we will discuss further with pension providers how schemes would pay the recovery charge on behalf of the individual, so that the details can be in place in good time for 2012-13.

Mr. Mark Hoban (Fareham) (Con): Can the Minister explain why the one-off cost of implementation for the Government's pension changes has trebled in the space of two months?

Mr. Timms: The hon. Gentleman will be aware that we have been in discussions with the industry, and that there has been extensive consultation on these measures. The estimate to which he refers has been revised as a result. Ensuring the widest possible consultation and discussion is the right way to proceed in order to ease any difficulty that might otherwise arise from implementing these changes.

Mr. Hoban: But can the Minister explain how he got it wrong by a factor of three? The amount has increased from £300 million to nearly £1 billion.

Mr. Timms: I do not have the figures in front of me but, as I said, we have been consulting people, as we should, and talking to them in a very open way. The Exchequer Secretary to the Treasury has been leading this work, and that has resulted in changes to the estimate.

The reforms to income tax and pensions will affect only the top 2 per cent. of earners. They have benefited the most from strong growth in recent years, and we think that it is right that those with the broadest shoulders should carry the greatest burden in funding the recovery.

Mr. Cash: On the question of national insurance, will the Minister be kind enough to explain to us where the relevant measures are? They might be in the Bill and I have simply not seen them. The whole process of dealing with national insurance, which is one of the hottest issues in the election, does not appear to be in the Bill. Is he proposing to table an amendment later in the proceedings today, or will this be dealt with under some other procedure?

Mr. Timms: No; national insurance cannot be dealt with in a Finance Bill alongside other tax measures. It will require a separate piece of legislation, which we will be introducing later in the year.

Clause 9 confirms the planned increase in alcohol duty of 2 per cent. above inflation. Clause 69 allows us to amend the duty definition of "cider" so that particularly high-strength ciders are taxed at a more appropriate rate. Clause 10 increases tobacco duty by 1 per cent. above inflation. Increases of 2 per cent. above inflation will be made in each of the next two years. Clause 8 freezes the inheritance tax threshold until 2015.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Just in case we do not get on to debate tobacco, will the Minister reassure the House that a proper study has been made of the likely impact of retail prices index

[Mr. Greg Hands]

plus 2 per cent. increase in tobacco duty on smuggling and counterfeiting? The lessons of the past are that raising tobacco duty too sharply and too quickly can have certain side effects.

Mr. Timms: The hon. Gentleman raises an important matter. We have indeed reflected carefully on that point, as we do each year. He will perhaps be aware of our significant success in bearing down on tobacco smuggling over the past decade. That has significantly supported the revenue from tobacco taxation, and we are confident that the measures that we are enacting in the Bill will indeed have the scoring set out in the Red Book alongside them.

Clauses 25 to 59 are an important part of the Bill and are part of a big package to tackle tax avoidance, non-compliance and offshore evasion. The package protects around £18 billion worth of yield and will raise a further £1.5 billion in total between now and 2013—over three financial years. The disclosure regime we introduced in 2004 has transformed the battle against avoidance and has protected over £12 billion of revenue since it was introduced six years ago. We have been consulting since the pre-Budget report, in which we set out proposals for strengthening the disclosure arrangements, and clause 57 is the result of that consultation and discussion. It does indeed strengthen and enhance the disclosure regime further still.

Stewart Hosie (Dundee, East) (SNP): Before the right hon. Gentleman moves on, he will remember that there was a debate last week about retrospective legislation in relation to tax avoidance. The amendments and new clauses before us today bring an introducer into play, as well as a promoter of the scheme. At this stage, will he tell us a little more about why he believes bringing an introducer into the legislation would benefit in the fight against evasion and avoidance?

Mr. Timms: The key benefit of the changes we are making lies in providing to Her Majesty's Revenue and Customs earlier information about the kind of schemes that people are being provided with. We are confident that if we have that information earlier, we will be able to address those schemes more effectively and so bear down on the scale of the problem.

In last year's presidency of the G20, we led the global clampdown on tax havens and offshore evasion. I am pleased that since the G20 summit in London last April, more tax information exchange agreements have been signed around the world than in the whole of the previous decade. Clause 36 sets higher penalties, up to 200 per cent. of the tax due, for those who fail to declare income and gains from jurisdictions that do not exchange information automatically with the UK.

Mr. Hoban: On that last point about the information exchange agreements and the jurisdictions that are not covered by them, how will the right hon. Gentleman ensure that taxpayers who are not represented—for example, a nurse from a West Indian nation that does not have a tax information agreement—are protected, while ensuring that we catch the people who are using these jurisdictions to avoid paying tax?

Mr. Timms: It is important for everybody to comply with their tax obligations. Anyone who is in doubt about what they might be can, of course, contact HMRC for information—and I am pleased to say that many people do, including people in the sort of circumstances that the hon. Gentleman describes. Encouraging news of which I think he will be aware is that we have indeed recently signed a number of tax information exchange agreements with Caribbean jurisdictions, including Belize and Dominica, and we are keen to sign more.

Mr. Cash: In the context of his consideration of Finance Bills over the last year or so, will the Minister explain whether he believes that the legislation is now getting so complicated that it is becoming a burden on the British people? Has he given any serious consideration to the idea of having a flat tax, for example, in order to remove that burden? Having been a member of the Committee considering the Income Taxes Consolidation Bill, I know how complex the legislation is and I just think it has got so out of control that it is a real drain on British business and on people who work in industry.

Mr. Timms: I do not support the proposal for a flat tax. I know that the shadow Chancellor once dabbled with that idea, but I think he quickly abandoned it—for sensible reasons. The hon. Gentleman made a perfectly fair point about complex legislation. He will know of our strong support for the tax rewrite project, which I believe has been more or less been concluded and which has made a helpful contribution, but he may not be aware that a number of simplification reviews are under way. He may be encouraged to learn that according to the World Bank's assessment of taxes paid around the world, the United Kingdom is—I think I remember rightly—the easiest country in Europe in which to pay tax. Of course it is important for us to maintain those advantages as the tax system develops further in the future.

Our choices throughout this turbulent period have proved to be the right ones—

Mr. Redwood *rose*—

Mr. Timms: I will give way one last time.

Mr. Redwood: I cannot allow the Minister's last observation to go unchallenged. How does he explain the extraordinary decisions first to starve the money markets of funds in 2007 and weaken the banks, and then to publicly demand that the banks raise more capital too late—when they could not do it—and to jeopardise them or bring them down? How can that be described as calling the shots correctly?

Mr. Timms: I refer the right hon. Gentleman to an experience that he will remember very well—that of the recessions of the 1980s and 1990s. In both those recessions, when the global circumstances were much less difficult than those that we have experienced in the last couple of years, the number of people claiming unemployment benefit rose to 3 million. At present it is a little over 1.6 million: it has fallen over the last few months. During the recession of the 1990s, business failures were running at about twice the rate at which they have been running during the current recession. At its peak, the number of home repossessions was 75,000 during

the 1990s recession. At the beginning of last year, the Council of Mortgage Lenders predicted that it would be 75,000 again, but I believe it was 43,000.

I think it is clear that the approaches we have adopted to the problems encountered around the world have been the right ones, and have greatly limited the damage that would otherwise have been suffered. Indeed, much less damage has been suffered than was the case in the 1980s and 1990s. The Finance Bill keeps us firmly on the right track, and I commend it to the House.

6.7 pm

Mr. Mark Hoban (Fareham) (Con): "Four hours for all the stages of the Finance Bill from start to finish...is...a most extraordinary precedent...due not to accident or misfortune but to the sheer incompetence and mismanagement of the Government". [*Official Report*, 13 March 1992; Vol. 205, c. 1140-41.]

Those are not my words but those of the right hon. Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown), spoken from the Opposition Benches about the passage of the Finance Bill in 1992. He considered four hours to be an unacceptable period in which to debate 11 clauses, and perhaps he was right. It is far from ideal. But now that the right hon. Gentleman has risen to the rank of Chief Whip, and is principally responsible for the incompetence and mismanagement of the Government's business programme, he thinks that three hours is enough time in which to debate 70-odd clauses.

In view of the shortness of the debate, it is probably just as well that the Government broke with precedent and arranged for the Financial Secretary to the Treasury rather than the Chief Secretary to the Treasury to open it. Given his performance last week, it is unlikely that the Chief Secretary would have made it to the Chamber for the end of the debate, let alone the start. I also note that the hon. Member for Twickenham (Dr. Cable) has maintained his fine record for not taking part in discussion of the detail of the Finance Bill. Although he has been nominated for delegated legislation Committees and been selected to serve on Committees dealing with many Treasury Bills, he never seems to arrive on time.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Will the hon. Gentleman give way?

Mr. Hoban: I will happily give way to the hon. Friend of the hon. Member for Twickenham.

Sir Robert Smith: Let me return the hon. Gentleman to his complaint about the amount of time allotted to the Bill. When the House had a chance to vote on the issue, his party whipped its members through the Lobby to endorse the allotted time and force it on the House.

Mr. Hoban: The point is that even four hours would not have been enough to cover 72 clauses—yet back in 1992, those who are now in government complained that that was not enough time in which to debate 11 clauses.

I have made my point about the lack of time. The people who look at Finance Bill proceedings—the outside interest groups—are concerned that this Bill is being rushed through and that insufficient time is being given to consider it. I do not know what the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) thinks a reasonable period would be. I do not believe that he has served on a Finance Bill Committee, although perhaps he will have that pleasure in the next Parliament, should he be returned. I can tell him that many days of detailed scrutiny are required, and even if every hour between now and Prorogation tomorrow evening had been available to us, I do not think that we would have made as much progress through the Bill as people would have wanted us to do.

The danger is that the Bill will receive poor scrutiny. The Institute of Chartered Accountants in England and Wales said of the 2005 Finance Bill:

"Huge swathes of complicated and often poorly drafted legislation have been passed into law 'at a stroke' with little or no debate and certainly no time for proper consideration and consultation. It calls into question whether parliament is fulfilling its constitutional duty to scrutinise legislation."

I suspect that the institute would not depart far from that opinion in respect of this year's Bill.

Mr. Cash: I hope that my hon. Friend will take what I am about to say in good part. As far as I am aware, our party is acquiescing in much of this, so we are perhaps to some extent contributing to the fact that this legislation, which will be either ill considered or unconsidered, is to be allowed through, in so far as it has not been excluded by amendments. I am sure that the Minister will introduce those in Committee. There is a bit of a problem there for all of us, is there not?

Mr. Hoban: My hon. Friend makes a helpful intervention, as he so often does on these occasions. I should say to him that it is the obligation of parties on both sides of the House, and of whoever forms the next Government, to listen to the concerns raised about the measures that we have passed, to understand where those measures are defective and to think about how they can be remedied in the future. Even when a Finance Bill receives full scrutiny, so often the Government—this is particularly true of the present Government—come back for a second bite of the cherry the following year just to tidy up the detail of the legislation in areas where perhaps proper, full consultation has not taken place. I wish to highlight some of the areas where adequate consultation has not taken place, and there are holes that the Government will need to think about carefully.

This Finance Bill contains much that is controversial, much that could be improved by scrutiny and much that could be amended, but Parliament has been denied that opportunity because the Government opted for the latest possible date for a Budget, thus precluding the opportunity to have a longer debate about the Bill. The Bill tells the tale of things left out, of things that should have been included in it, and of items that need further scrutiny and consultation.

Let us consider what is not in the Bill. The first things not included are the tax hikes planned by this Government for after polling day. The Prime Minister said on the steps of No. 10 Downing street yesterday:

"I have fought so hard for families on middle and modest incomes."

But they are the people who will have to pick up the bill for the Government's economic record after the election. My hon. Friend the Member for Stone (Mr. Cash) intervened on the Financial Secretary to ask why national insurance increases planned for April 2011 are not in

[Mr. Hoban]

this Bill. Obviously, the Financial Secretary said that that Bill would come into effect in the next Parliament, but it is a pity that the Government did not have the courage of their convictions and did not seek to table that measure now for debate, because we could then have made the argument here in this House about the need to roll back those increases to protect those on the middle and modest incomes to whom the Prime Minister referred yesterday.

Let us also not forget that this is about protecting not just those people's incomes but their employment. My hon. Friend the Member for Sevenoaks (Mr. Fallon) caught out the Chancellor on that last week in the Treasury Committee, when he probed the Chancellor as to whether he had taken into account the impact on unemployment. The Centre for Economics and Business Research has said that in addition to raising the tax burden on families, 57,000 people would lose their jobs as a consequence of the Government's planned national insurance increase. Is this what the Chancellor meant when he said:

"We think the impact is manageable, it will be limited"?

It certainly will not feel manageable or limited to the 57,000 people who will lose their jobs if the Government's plans go through.

Richard Lambert, the director general of the CBI, has said the following of our plans to oppose this tax hike:

"The Conservatives' plan to reduce next year's increase in employers' NICs is welcome, and will help large and small businesses alike."

He continued:

"NICs are a tax on jobs and increasing them is a bad idea when we want to promote job creation. We continue to call for the proposed increase to be cancelled entirely, as and when action on the public finances makes this possible."

I wonder whether the Financial Secretary believes that the head of the CBI has been deceived, and whether he adopts the same line as the Prime Minister and the Secretary of State for Business, Innovation and Skills about the opposition that nearly 60 business leaders have expressed to the Government's tax on jobs. Other things have been left out, too. There is no reference in the Bill or in the Chancellor's Budget statement to the freeze on personal allowances—another stealthy tax grab by this Government.

Of course, there are some things in the Bill of which we do approve. The two-year first-time buyer's stamp duty holiday is welcome, but if the Government had wanted to copy our policy properly they would not have stuck a two-year time limit on it. The reduction in bingo duty was something for which we argued in the Budget last year, and we expect to hear "David's den—No. 10" to be called in bingo houses across the country in celebration of the Government's climbdown.

Despite those points, the Bill is not in as poor shape as it might have been. Three tax rises on families and businesses have been scrapped and the measure attacking small and new businesses has been dropped—all as a consequence of Conservative opposition. The Government have been forced into a U-turn on cider by us, and the swingeing increase in the duty on normal strength cider will be reversed on 30 June so cider will be treated like any other drink; that will mean an 8 per cent. cut in duty rates. Again, as the Financial Secretary made very clear in the opening stages of his speech, the Government have pledged to reverse that if they are returned on 6 May. Cider drinkers have a choice: do they back the Government's across-the-board hike in the tax on a pint of cider, or do they back our option of increasing the tax on super-strength ciders, rewarding responsible drinkers and clamping down on problem drinkers?

We know how important furnished holiday cottages and flats are to the tourist trade, to rural areas and to seaside towns. That is why we forced the Government to drop their plans to increase taxes. According to the Tourism Alliance, 120,000 businesses would have been affected and 4,500 jobs lost at a cost to the UK economy of £200 million. We would consult on a regime to allow holiday cottages to be treated as a trade on a fiscally neutral basis. So people have another choice: another tax increase on business under Labour, or reforms to help the tourist trade under the Conservatives.

The telephone tax has also been dropped. A £7 per year tax on families and businesses has been binned. That was a tax that was attacked by the industry as regressive and disruptive, a tax which ordinary families would have to pay. Virgin Media said the duty

"risks distorting the market by penalising fixed line broadband and potentially disrupting existing next generation broadband investment plans".

Andrew Heaney, executive director of strategy and regulation at TalkTalk, said:

"The broadband tax is an unfair, regressive, and wasteful way of funding superfast broadband which would deliver less benefit than it will cost, slow superfast broadband roll-out and drive around 200,000 homes off broadband."

One might think that someone from TalkTalk would say that—but the figure for the number of houses that would come off broadband was the figure given in the Government's regulatory impact assessment. Far from unlocking investment, the telephone tax would clearly hamper it, and we got it dropped. That is another choice that people will have to make: a regressive tax adding to the burdens placed by this Government on families, or no tax on families and businesses and reforms to roll out broadband under a Conservative Government.

Lastly, we have also removed the proposals for security of payment of pay-as-you-earn. In the Financial Secretary's letter to the Chartered Institute of Taxation, he said that where the Government have not consulted they would explain why not. Pending that explanation on these provisions, we have taken matters into our hands and forced the Government to drop them. The problem was that a criminal offence was being created in connection with a requirement that had not been properly explained or scrutinised. The CIOT put it best when it said:

"If enacted, there are concerns that the provisions could be applied to many small businesses facing cash flow problems in the current financial recession, leading to a number being put out of business at a time when the economy is starting to pick up."

The Bill gives the Treasury power to make regulations to require businesses to offer security for PAYE bills, but there are no safeguards in the Bill and nothing to protect businesses from the heavy hand of HMRC. It seems wholly at odds with the Government's much-trumpeted time to pay scheme to introduce such a measure at this time.

The Government's message stresses the importance of locking in the recovery, yet the Budget and the Finance Bill contain measures that will hurt small businesses and families, and we know that there are still more in the pipeline. There is concern that some of the measures that remain in the Bill have not been properly thought through and consulted on. We might not have much time in the Committee of the whole House to go through the Bill clause by clause, but I want to touch on a few of those measures now. I have chosen as examples measures that, although they are probably well-intentioned, might need to be revisited because of the lack of proper parliamentary scrutiny.

There is still widespread concern about the provisions in clause 24 and the 12 pages of schedule 3 about the taxation of pension contributions by higher-rate income tax payers. In addition to the pages in the Bill, there are 74 pages of detailed technical notes. We have no argument with the Government's seeking to protect revenues by restricting tax relief for higher earners, but there are widespread concerns about the cost and complexity of the provisions.

As I said in an intervention on the Financial Secretary, within two months the one-off costs of implementation have tripled. I hope that when the Exchequer Secretary winds up she will give a fuller explanation of why those costs have tripled over such a short period. Given the number of areas that the Financial Secretary has outlined in which greater clarification is needed about how the rules will work in practice, I wonder whether those costs will continue to rise. We need to make sure that the Government's chosen measure of restricting the value of tax relief is the most straightforward and least expensive option available. The Chartered Institute of Taxation has said that the measures were drafted in such a way as to put a heavy and expensive administrative burden on employers, employees and pensions provisions.

The Institute of Chartered Accountants in England and Wales has said:

> "The proposals are highly complex and will be difficult for those affected to understand, often creating unexpected and very high tax liabilities for those at whom the proposals were not aimed."

We will not oppose the measures at this stage because of the principle of protecting revenue, but we ought at this time to look very carefully at how they could be improved to make them easier for people to understand, easier to administer and cheaper to collect.

In clause 31, on charities and community sports clubs, a new definition of "fit and proper persons", with regard to those working with charities and sports clubs, is offered without proper debate or scrutiny. That would be monitored by HMRC rather than the Charity Commission, which is a major change.

On clause 35, the CIOT has again expressed concern about some of the technical details arising from the proposed changes to the remittance arrangements and the prevention of certain capital gains tax rules from producing allowable capital losses on disposals of amounts in foreign currency bank accounts.

Clause 36, on which the Financial Secretary and I had an exchange during his remarks, has been criticised by the low incomes tax reform group about the impact that it could have on unrepresented low-income taxpayers. Let me quote from its representations:

> "Many unrepresented taxpayers who will be caught by these new provisions actually come from overseas territories which are likely to be placed in category 2 or 3. Will a Gurkha be affected because we do not have a double taxation agreement with Nepal? Will a nurse coming from a West Indian island without the 'correct' HMRC designation be affected disproportionately? Is every mistake in relation to a source of income or gains in their home country to be penalised at one-and-a-half times or double the normal rate, simply because of where they come from?"

The Financial Secretary will no doubt be aware of the experiences of the Minister for Borders and Immigration and the Under-Secretary of State for Defence, the hon. Member for North Durham (Mr. Jones), who has responsibility for veterans. They have both come off worse after locking horns with the Gurkhas. Does he want to be the Gurkhas' third scalp? We need to think carefully about how those on low incomes are going to be able to comply with the provisions, while ensuring that proportionate action is taken with regard to others.

Clause 57, which the Minister mentioned, contains controversial provisions on information that promoters and users of certain tax avoidance schemes have to disclose to HMRC, and it imposes new penalties for non-compliance. There are several options to achieve the same goal. The ICAEW has said:

> "The existing £5,000 penalty will be replaced, it is proposed, with a daily £600 penalty. This £600 daily penalty was one of the two options set out in the consultation document but we preferred the option which provided for an increase in the penalty to the extent that there has been non-compliant behaviour by the promoter or user. We remain strongly of that view that this would be a better option."

We have not had time to debate that clause in detail, or to explore which conclusion—the ICAEW's or the Government's—was right.

Does not clause 66 say something about our tax system, in that it appears that we will have to have a special Champion's League final tax exemption to enable us to hold next year's final? Will that open the floodgate for other changes? Will the Royal and Ancient push for competitors in the Open to be exempt if they are not resident in the UK? Will Lady Gaga refuse to tour the UK unless the next Finance Act is amended?

The Government need to provide a much better rational for why these exemptions are in the Bill than they have done so far. Perhaps the Exchequer Secretary will be able to refer to that in her winding-up speech.

There is a long shopping list of concerns about this Bill that are usually rehearsed during the Committee stage or addressed through ministerial statements or amendments. Those opportunities are not available to us today, as a result of this accelerated process.

This Finance Bill is a testament to the dying days of a Labour Government. It is evidence of all that we have known about this Government. The best ideas are pinched from us, and it is a rag-bag of measures with no narrative, from a Government who have run out of steam. The fact that it is being rammed through in a matter of hours shows a brazen disregard for Parliament. In this area, as in so many, the problems of today are being left for tomorrow's Government to resolve.

6.26 pm

Matthew Taylor (Truro and St. Austell) (LD): It seems rather extraordinary for the hon. Member for Fareham (Mr. Hoban) to criticise the Government for

[Matthew Taylor]

their brazen disregard of Parliament in short-circuiting debate on the Bill, when it is of course the two main parties that decide the timetable and agree which measures will remain in the Bills discussed during this wash-up period, after the general election has been called. People will wonder how far they can trust what they hear in the election, so comments of that nature are not a great start.

The reality of how business is conducted and timetabled here means that the Conservative and Labour parties have every opportunity to decide such matters. Other parties do not get the same privilege, so it is a mistake to make comments that so mislead people.

Mr. Hoban: Does the hon. Gentleman therefore accept that his party played no role in the amendments to the cider duty that have been introduced this afternoon?

Matthew Taylor: We played a fundamental role in respect of the cider duty, in that we campaigned against it. I imagine that that is what lies behind the Conservative party taking the position that it has taken. It has taken the credit for the changes to the cider duty when they were announced. That is another example of a quick U-turn by Conservative Front Benchers.

Mr. Hands: I thank the hon. Gentleman for giving way, but we really must clear up his mix-up on the cider duty. Last year, the Liberal Democrats proposed freezing duty on spirits, but not on cider.

Matthew Taylor: That is rather different from proposing a substantial increase in cider duty, for which the Conservative party claimed credit but which it now opposes.

Mr. Hands *rose—*

Matthew Taylor: I think that we should move on from the knockabout, as it does no one any particular justice.

I want to begin my remarks by concentrating on the big picture that underpins the Finance Bill, rather than on the detail of individual clauses. Massive choices have to be made about how we go forward, in the light of the credit crunch and its impact on Government budgets. It has also impacted on the real world of people's lives, jobs and housing, and on their ability to afford homes and to provide for their families. Risks remain of a further downturn in the economy and a double-dip recession, and there are questions about the economy's real value and worth.

How much of what happened in the last decade or so was real, and how much was unreal? We must never forget that we face the deficits that we face mainly because what was assumed to be real economic growth has been recast, at a stroke of a Treasury pen, as not growth at all, and therefore not real income.

Mr. Cash: I do not know what the position of the hon. Gentleman's party is on the actual debt, but to provide for the shortfall and to deal realistically with the reduction of the deficit, does he agree that the bottom line—as seen by bond markets, credit risk agencies and so on—is the net debt, which is at least three times the amount of debt disclosed by the Government in the pre-Budget statement?

Matthew Taylor: I would go a little further. It is not just a matter of those forms of debt, but debt in the wider economy—family indebtedness right through the economy. When we look at the figures as a whole, they show Britain not as a relatively low-debt economy, which the raw Government data still do, but as one of the most indebted nations in the world. Such issues are fundamental to what has happened to the British economy and to our response. They will be pivotal to the success or otherwise of whoever is in government in a few weeks' time.

In addressing the issues, we need to consider two big questions. The first relates to timing. I am not a simple Keynesian but I believe nevertheless that around the world—it is not just a British issue—we are coping relatively well with a massive shock to the banking systems and the wider economies of the world. The reason why our unemployment has not risen as projected and why growth is resuming, albeit at low levels, is that there has been willingness to invest massively to counter the withdrawal of credit by the private sector by maintaining and bringing forward significant Government spending. That means that the timing of the withdrawal of that spending, and the degree to which we can expect the private sector to pick up the necessary investment that will keep the economy moving forward and growing, is absolutely fundamental to whoever is in government.

The knockabout in the papers, which will involve all sides, portrays a Conservative party looking for earlier cuts, while Labour and the Liberal Democrats say that the timing is not yet right, which I believe is fundamentally correct. Anybody tempted to say, when they are being canvassed on the doorstep, "I am not interested. You're all just the same. It makes no difference how I vote," should be under no illusion: what we have seen in the past 12 months, and the response to it, and what we shall see in the next 12 months and the response to that, will be absolutely critical to what happens next in the wider economy.

We may disagree about the timing. We may disagree—and we do—about when the decisions should be taken, but for people to throw away their vote in the election, or perhaps not vote at all believing that their vote makes no difference, would be the wrong call.

Madam Deputy Speaker (Sylvia Heal): Order. I have allowed the hon. Gentleman some latitude, because this is a Second Reading, but it is of the Finance Bill rather than the economy in general. Perhaps his remarks in future could bear some relation to the Bill before the House.

Matthew Taylor: Thank you, Madam Deputy Speaker.

Mr. Redwood: Will the hon. Gentleman give way?

Matthew Taylor: I will in a moment, but I want to make the point that the decisions we are debating—about which taxes to raise and about how many taxes there are—fundamentally underpin both the question about the timing of the withdrawal of Government spend, and my next question, which is the balance between how much is raised through tax and how much is delivered through cutting back spending. There is a third issue, which is the fairness of distribution.

Mr. Redwood: Will the hon. Gentleman clarify what the Liberal Democrats think about the wisdom of making cuts of £700 billion on the RBS balance sheet in a single year? The Government shrank the balance sheet by that amount—it is half of national income, judged by UK standards—so what impact will that have on tax revenue and activity levels?

Matthew Taylor: I will not go into the technicalities, but we need to be straight about the balance sheets and to tackle the underlying problems in the banking sector. We need to separate the investment and gambling side of what the banks do from the retail side, and we therefore need substantial further reform.

Stewart Hosie: The hon. Gentleman is right about timing and the balance of the way in which we tackle the deficit, but on the last day of the Budget debate, his colleague, the hon. Member for Twickenham (Dr. Cable), made the point that the Liberal Democrats were on the same page as Labour. The UK will have no fiscal stimulus this year. Real-terms cuts are beginning this year, and £57 billion will come out of the economy in the single year of 2013-14. Does the hon. Gentleman think that that balance is right?

Matthew Taylor: The evidence from the economy is that we are just about there. If we spend too much, we build up debt or tax problems for the future, but if we spend too little, the economy falls down. The small but real growth that we see suggests that, broadly speaking, the present balance might be right, but the question is whether the detail—that is what we are examining in the Bill—is correctly drawn, and I do not believe that that is the case.

Mr. Hands: Will the hon. Gentleman tell us what the savage cuts for which his party's leader has called might involve?

Matthew Taylor: The hon. Gentleman invites me—

Madam Deputy Speaker: Order. I remind all hon. Members of my earlier comments about the fact that we are discussing the Finance Bill.

Matthew Taylor: We have set out a series of tax changes that should be in the Bill. They are largely designed to move the burden that we are asking people to weather away from those on lower incomes. To pay for that, we would ask the more privileged on higher incomes to sacrifice some of their allowances, which I have never thought fair in any case. For example, we would deal with the distortion created by the tax reliefs on pensions that give more support to those on the highest incomes than people on the lowest, especially because we know that those on the lowest incomes are the people who struggle the most to have sufficient pensions.

The Conservatives propose a series of measures that are effectively tax cuts, but we do not believe that that is right either, because we need to prioritise maintaining economic growth and targeting those areas that require more support, especially education and giving those from the poorest backgrounds the opportunity to come out of the circumstances in which they were born.

Mr. David Gauke (South-West Hertfordshire) (Con): Will the hon. Gentleman give way?

Matthew Taylor: If I were to give way to the hon. Gentleman, I think that we would both be reminded that we are already straying a little far from the Bill.

Let me reiterate that the first issue relates to timing and that the second relates to distribution and the fairness of what we do. I do not believe that what the Government are doing in that regard is good, but what is offered by the Conservative party is worse, as it rewards those who have rather than those who have not. Our approach is designed to reward hard-working people on low incomes, and we believe that the Bill should relieve the tax burden on such people. In a way that other parties have not, we have set out specific cuts that need to take place to services and things that we do not believe are necessary, and I do not step back from that.

I started by saying that, clearly, this Finance Bill goes to the heart of the debates that will take place during the general election campaign. Clearly, whoever is next in government will make real decisions that will affect families all over the country. Twenty-three years ago, I came into Parliament on Budget day, after the by-election that followed the tragic death of my predecessor, David Penhaligon, who was the finance spokesman for the Liberal party, as it then was. I had been working with him on economic policy and I happened to be from Truro, so I was asked to stand in that by-election. I am leaving the House at the general election, because I do not believe it is a great place for the dad of a two-year-old and a three-year-old to be when they are at school in Cornwall and I am here. I think it is time for a change anyway, after having been here for 23 years. It may be a relief to all that I am leaving. It has been a privilege to represent the seat.

My first speech was made during the debate on that Budget and my first Committee work was on that Finance Bill. I saw that through, then a general election was called and I had to do it all again, so I became familiar with Finance Bills more quickly than anybody really deserves, particularly at the age of 24. Nobody should be under any illusion that what we had then in government was a fundamentally different approach to the tax system and spending from what we have today. Nobody should be under any illusion that what we had in response to recession in the 1980s and again in the 1990s was fundamentally different from what we have seen recently—more Keynesian, positive investment to keep down unemployment and no talk of unemployment being a price worth paying. However, in my view, the balance has not been got right on fairness—we see inequality increasing, not narrowing, in this country. The balance has not been got right in terms of setting out the real detail of what needs to be done to tackle the problems.

It behoves this place to be more honest with people, and it behoves the general election campaign to be more honest than it has been. I hope that the result of the leaders' debates and the challenges put down by the press and the public during the campaign will force out of everyone more detail than I dare say the manifestos will supply. That is one of the great advantages of democracy: the unexpected question from a member of the public often finds the detail that Parliament rarely does.

I hope that, for my children, the election will result in a Government who are committed to investment in education and the protection of the environment. Especially

[Matthew Taylor]

because my three-year-old has been going through cancer treatment and I have seen the real impact of the investment in the NHS at Great Ormond Street hospital. I hope that it is true—all the leaders say so—that all three parties are genuinely committed to investment in a national health service that is free for all at the levels and in the ways that people need when they need its help. To those who think that there is a lot of money sloshing around, I say that some of the facilities and staff at Great Ormond Street are undoubtedly among the best in the world, but anyone who thinks that it is overfunded needs to spend a little time there.

I am delighted that the leaders of all three main parties have young children, because that keeps their feet on the ground. I am delighted—not about the reasons why—that both the Conservative and the Labour leaders understand the importance of the NHS, because they have had children who have had to be recipients of the best care in the world. Let us keep it like that.

6.43 pm

Mr. John Redwood (Wokingham) (Con): I remind the House that I have declared in the Register of Members' Financial Interests the fact that I advise an industrial and an investment company.

This is a disgraceful end to a dreadful Parliament. Tonight, we are invited to hasten through the large and contentious Digital Economy Bill, which we were able to debate only briefly yesterday, revealing the degree of disagreement about it. At the same time, we are given a very short time to debate Second Reading of the Finance Bill, and several other Bills have been rushed through today.

Of course, Ministers are right to say that any Government coming to the end of their term or seeking re-election in springtime may need to put a Finance Bill through Parliament quite quickly, but the convention has always been that if they need to do that, they put through a short, basic Bill, just to keep the revenues flowing in, and they make the big decisions in a later Budget, when there is proper time for a big Bill and proper scrutiny.

It really does beggar belief that we have been placed in this invidious position yet again. Most people in this country who are interested in politics have had 6 May in their diary as the general election date for many months. It appears that the only person in the country who had not got that clarity of view was the Prime Minister, but he got there in the end, and decided that the election would indeed be on the date that everyone else had put into their grids, plans and media schedules. So why on earth did the Government not hold the Budget at the beginning rather than the end of March? Why on earth, having held a late Budget, did the Government not get on with a more rapid preparation of the Finance Bill? In the past couple of weeks, when the House has not been that busy, we could have had a stab at debating it properly.

I do not object to having a Finance Bill that keeps the revenues coming in over the election; of course I understand the need for that, given the amount that the Government are spending and having to borrow. But I do object to being given 167 pages of Finance Bill on almost the last day of serious parliamentary business, and to being told that there will be just a few hours in which to debate all its stages.

My hon. Friend the Member for Fareham (Mr. Hoban) and his Front-Bench colleagues wisely said to the Government that they must strike out three of the nasty little tax increases and new taxes that they wanted to place in the Bill, and I am delighted that the Government have agreed to do that; that is an improvement to the version of the Bill that we have in our hands for this debate. So recent was the agreement that we do not even have the right document to debate; the one that I have still does not have the necessary changes or amendments to the Government's line. The Government must have known that the Opposition would not let through the new taxes or tax changes, which would have had adverse effects on important groups in our country, yet we are still given a text that implies that those measures will be introduced.

Like my hon. Friend the Member for Fareham, I welcome lowered bingo duty, the exemption from stamp duty and the other few crumbs in the Bill that recognise that Britain is now a grossly overtaxed country, and that high taxes are now an impediment to enterprise, growth and success—things that all Members here surely want. However, we had to listen to the Minister wandering off the subject and saying, in his opening remarks, that the Government got every economic call right, and I find that very difficult to accept.

This is the Government who said that they had abolished boom and bust, but they put the economy through the biggest boom and bust that any of us have ever seen in our lifetimes—a boom and bust far bigger than anything inflicted on this country since the great recession of the 1930s. This is the Government whose calls included building a debt mountain in the public and private sectors with easy money and low interest rates up to 2007, and who then decided to trigger an avalanche of debt collapse and collapsing asset prices by withdrawing all the money and restricting the banks too late in the cycle. That threatened the banks themselves and brought the system almost to its knees. This was the boom-and-bust Government to beat all boom-and-bust Governments. This is the Government who did unparalleled damage to our economy, yet the Minister dares to come here this evening to make party political points about how they got everything right. He should be concentrating on this mean and miserable Finance Bill, which he wishes to rush through without proper scrutiny.

Why do we need proper scrutiny of a Finance Bill? We need it because many people's livelihoods and working futures depend on the tax legislation that this and other Governments put through Parliament. Every one of the clauses could create joblessness, difficulty for a business, or problems for someone trying to wrestle with the complexities of an economy scarcely out of recession and performing very lamely and badly.

The Bill ranges extremely widely. We are asked to agree to items on income tax, corporation tax, capital gains tax, stamp duty land tax, inheritance tax, alcohol and tobacco duties, vehicle excise duties, fuel duties, environmental taxes, gambling, new taxes, losses and capital allowances, charities, the remittance basis relating to taxation, and international tax matters—and I am not even halfway through the list that we are invited to consider.

It is an insult to the people we represent, to the House of Commons and to democracy that the Government say they wish to strengthen that we are given this very shortened time when most colleagues wish to be back in their constituencies, starting to dust down their campaign plans, or carry on with the campaigns that some have already started, for obvious reasons, particularly those who worry about how their electorate might respond to the way that the Government whom they support have been handling events.

It is difficult to allow all this to go through without proper scrutiny because it means that none of these clauses has been properly tested. We have not had the chance to consult experts outside on whether each of the clauses will do what the Government intend, and we have not been able to consult people who will experience the impact of those clauses to see whether what the Government intend is fair and reasonable, given the parlous state of the British economy as we meet here this evening.

Mr. Cash: Just to take one example, which I hope to come on to in a moment, does my right hon. Friend, or could anybody, including the Ministers, have the foggiest idea what the "appropriate pension increase" is when it is defined as (ACP x CAPARF) – (UOP x OAPARF)?

Mr. Redwood: Indeed, that has defeated me, and my hon. Friend is right to point out that that is exactly the kind of complexity that in a normal Committee stage we would ask a Minister to explain, and a good Minister would be able to explain it and a not-so-good Minister would know an official who could help to explain it, and we would also have had the chance to consult people who are experts in the field so that we could either pass over something quickly because the experts said it was perfectly reasonable, or they would say it would not work or would have unforeseen consequences. The inability to give it such attention will doubtless mean that the Government and their successor will come to regret the legislation, and will doubtless mean that some future House of Commons has to reopen these issues and put them right.

There is also a very complicated formula relating to capital allowances on page 81, similar to the pension formula that my hon. Friend read out. I will not detain the House by reading it out, because it is quite obvious that no one here today is equipped to discuss it sensibly. It means that these complicated matters will go through on the nod, not only with insufficient explanation but probably proposed by Ministers who have not teased them out and understood them fully, and certainly approved by a House of Commons that has not had the chance to do its normal job.

Voters elect to this House a variety of people with a range of experiences, talents and skills, and often individual Members have the experience needed to tease something out. But the complicated area of tax law, where the whole panoply of accumulated tax law is enormous, thanks to this Government's legislative energy, is one area where we all feel that we need some professional advice before we can do our job of scrutinising the Finance Bill.

Mr. Cash: Does my right hon. Friend agree that part of the problem is not just the complexity, but the consequence for and the burden on the taxpayer, who then has to employ accountants, lawyers, QCs and so on, at enormous expense, which thereby reduces our ability to be an enterprising nation?

Mr. Redwood: I entirely agree. I favour lower taxes because they are fair and raise more revenue, and I think they raise more revenue for that very reason. Lower and simpler taxes impose less of a burden on people, who are then more willing to work harder and do not have to spend so much of their working time dealing with complicated tax issues to avoid falling foul of growingly complex and difficult to understand legislation.

We are now in the position where many people subject to a specialist tax in their area cannot understand the formula or the rationale and need to take on expensive tax advice to comply with the legislation. This can apply to quite small businesses that do not have that kind of resource and are not used to employing expensive accountants or lawyers but are forced into doing so by the enormous complexity.

So it is with a very heavy heart that I see that the Government's dying wish is to go out as they came in and be remembered as the Government who did more than any other we have known to add to the volume of tax legislation and the complexity and imperfect working of the tax system. Many Governments have queued up to win that prize, but this Government have beaten the rest of them hands down with their doubling of the length and complexity of the tax provisions in this country. To slide out 167 pages, 71 clauses and attached schedules this late in the Parliament, and then to offer us no time in which to probe or examine them, is typical of them but a complete disgrace.

The time available this evening does not permit me to go through the Bill even generally, clause by clause, much as I would like to and my colleagues would be grateful if I did not. However, that illustrates what is wrong with the situation: a 71-clause Bill, tackling every major tax and quite a few minor taxes in the country, with a view to changing them in some way and often to increase the amount of money that they raise, will not be properly scrutinised because of the way the Government have decided to behave.

The Government claim to have made all the calls correctly but they need a Finance Bill to raise more money. This, of course, is not that Finance Bill, because it is the pre-election Finance Bill, and we have already heard from the Minister that it does not include one of their main tax-raising proposals, which, if they win the election, will be the national insurance tax increase. So we know that the Government would have to come back to the House with more tax-raising legislation, but we know also that, even with their limited ambitions for deficit reduction in the next year or two, there is still a big black hole in their total figures. We know that the Budget, when delivered, did not have a proper statement of spending plans and cuts. There was a global figure for many cuts, but we do not know where they will fall or how they will be handled. And we know that there was a global figure for tax increases. The Government will say that this Bill does some of the work on that, but it in no way covers all the increased tax revenue that they have forecast, because they wish a bigger share of the deficit reduction to be achieved by tax increases than the Conservative Opposition do.

Sir Nicholas Winterton (Macclesfield) (Con): My right hon. Friend has just mentioned the imminent increase in national insurance, although it is not part of the Finance Bill. Surely, however, that must be part of our debate, because it will affect employment in manufacturing and commerce. At Prime Minister's questions today, the Prime Minister made great play saying that the increase was necessary to provide for education and the health service, but what is more important: increasing our manufacturing capacity and output, and thereby increasing our tax revenues; or harming manufacturing industry merely to sustain what are, I accept, important—education and the health service?

Mr. Redwood: Madam Deputy Speaker, I do not think my hon. Friend was in the Chamber for your very wise advice to others in this debate—that we must stick to the contents of the Finance Bill, or to the things we would like to see in it, because some of us would have liked to move amendments to improve it, but we will not be able to do so owing to the restricted time. I fear that, because national insurance will be legislated for differently, it does not strictly fall within that remit. However, I think my hon. Friend stayed in order, because he wisely said that the national insurance increase could have such a damaging impact on the general state of the economy—it will definitely restrict growth and it is a tax on jobs, as even Ministers admit—that it could damage the revenues for which the Bill makes provision.

At the beginning of the debate, I tried to tease out of the Minister by way of an intervention what he thought the revenue loss would be on his figures if we struck out or modified the four clauses to which Opposition Front Benchers object. He said that in a full year he thought it would cost £220 million. However, other measures in the Bill and more generally could lose the Government rather more revenue than that, because they have made such an assault on enterprise, business, growth and development that they might find that higher tax rates, far from yielding the increased revenue that their models predict, yield rather less or, in some cases, even lead to a drop. We may well find that there are timing differences on tax payments and that there is a change in the place of residence to which businesses and rich individuals might relocate. The Government might find that they have gone over the top with the rates and will have a problem filling part of their budget black hole through the tax revenue that they will collect if they stay in office.

On all those grounds, this is a very bad Bill. It is not a Bill for recovery, because it does not offer the tax incentives for growth that one would expect to see. It confirms the pattern of taxing more and subsidising more that has characterised the more recent years of this Government's lack of progress. It greatly increases the complexity and detail of the tax code in a way that is wholly inimical to the wish of honest people to get on with earning a good living and running a good business, as my hon. Friends and I have sought to set out. Above all, it misses the main points because it does not tackle the spending side of the equation, which is being kept secret until after the election, or bring in some of the biggest tax rises that the Government are planning, which have to be introduced in another way.

The Government are now attempting to drive the car of the economy with one foot flat on the accelerator pedal, trying to create as much easy money as possible, and the other flat on the brake because they are trying to restrict the banks as much as possible. That is, of course, the way to go absolutely nowhere. It surprises me that they can present a Finance Bill such as this and say that it is part of a package of recovery, when we have experienced the longest recession of any of the major economies and had about the feeblest signs up upturn. The Government say that that means we have done very well, but it clearly means that we have done very badly. It is quite obvious why—they chose the wrong point of the cycle at which to clobber and restrict the banks. They should have restricted, managed and regulated them properly on the way up and not brought them juddering to a halt as they did in 2007-08.

The Government are still doing that to the banks, as I have been trying to illustrate to Members on the Treasury Bench, by taking £700 billion out of the balance sheet of our leading bank, the Royal Bank of Scotland, which they happen to own. No Treasury Minister has ever explained why they are doing that. This Bill contains provisions for another tax on banks—I understand how popular that is—but does not make provisions for expanding banks. Surely what we need, if we are to have a positive and strong recovery, is banks that can expand their lending to British business and individuals sensibly, so that there is an increase in private sector demand as well as the limited increases in public sector spending that the Government think represent the way to a recovery.

Driving with one foot on the accelerator and one on the brake is the way to go absolutely nowhere. The Government are creating a lop-sided economy with fast-expanding public spending and fast-contracting private sector debt and activity in many areas. That is the way to national bankruptcy. This Finance Bill will not raise anything like enough revenue to pay for the huge amount of spending that they are proposing. Their model of running the economy will not lead to a rapid recovery of the kind that we desperately need, and it will not create the jobs that we need to get people off benefit. That is the type of public spending cut that I would like to see—really big cuts in the social security programme because people have gone back to work or got a job for the first time and do not need benefit any more. Surely that is a cut that we can all agree on, but the Bill will not deliver it because it does not provide the friendly tax environment for business and enterprise that must be required if we are to get a decent recovery.

My right hon. Friend the Member for Witney (Mr. Cameron) made an excellent response to the Budget and reminded the House that, under this Government's lack of tender care, the UK has gone from being the fourth best tax regime for business in the free world to being the 84th best, which is a dreadful reduction in our tax competitiveness as a result of the measures in this and other recent Finance Bills. That is why our economy is not going anywhere—because of an anti-enterprise Finance Bill and because the Government will not sort the banks out properly. Until Ministers can explain to the House why they have pursued a boom and bust policy towards the banks, we will not have a proper explanation of the mess we are in, and until they come forward with a Finance Bill that is pro-enterprise, we are not going anywhere fast.

I hope that this farce of a Finance Bill will end as soon as is humanely possible. We need a new Budget that does the spending and taxation together and is

honest with the British people about both sides of the equation. We need a new Budget that leads to a proper Finance Bill that has rates of tax that might support and promote growth.

7.5 pm

Stewart Hosie (Dundee, East) (SNP): The right hon. Member for Wokingham (Mr. Redwood) is right about the lack of time to debate and scrutinise the Bill. We would normally have about three months, but today we have about three hours. It is not simply the lack of scrutiny by right hon. and hon. Members; it is the lack of scrutiny by outside professional bodies that do such an invaluable job for us all. Only a few years ago, the Government introduced the real estate investment trust regime, which they had to change within a year or two, and which was subjected to intense internal and external scrutiny. However, many of the measures in the Finance Bill are being subjected to no scrutiny whatsoever.

I do not intend to speak for long, but my main concern is that, although this might be billed as a Finance Bill for growth and fiscal consolidation, as far as I am concerned it does very little to encourage the key thing—growth in the economy. It has been mentioned already that the national insurance changes, which will limit businesses' ability to recruit and take spending power away from local economies, are not in the Bill, but many other things are. It includes provisions for three fuel duty rises—that is in addition to the three that we have had in the past 12 months or so. A 17 per cent. rise in fuel duty—that makes it six rises over just two years—is massively over inflation and hugely damaging.

The Bill also includes higher duty on Scotch, which will do precisely nothing to tackle the issue of problem drinking and antisocial behaviour that follows, but will, of course, have a huge impact on the manufacturers and distillers. The Bill also freezes tax allowances, representing a real-terms cut in take-home pay for real people and taking more spending power out of local economies. It takes no recognition of the fact that for many people the real inflation rate is about 50 per cent. higher than the published rate used by the Government. With tax allowance thresholds frozen, that is a double whammy when it comes to spending power and inflation.

The Bill is linked to the Government's fiscal responsibility plan, which, at its heart, is simply for deep and savage cuts—cuts deeper and tougher than even under Baroness Thatcher. It is worth reminding ourselves that the Bill is the starter to many of the cuts to come, which will include real-terms cuts to budgets this year, but without a comprehensive spending review to tell us where they will come from, and £57 billion out of the economy in 2013-14. For the avoidance of doubt—people should remember this—that is nearly £20 billion in tax rises and nearly £40 billion in service cuts, which represents nearly 3 per cent. of gross domestic product, assuming that the Government's forecast of 3.25 per cent. growth in four of the next five years is remotely achievable.

I do not believe that this is a Finance Bill for growth, and I am not at all convinced that the Government's plan for fiscal consolidation has any credibility. As the right hon. Member for Wokingham said, there is no time to go through the Bill in any considerable detail, but it is worth highlighting one or two of the clauses. The changes in clause 1 to rates and thresholds will mean a real-terms tax rise and a real-terms cut in take-home pay. Clause 3 and the changes on small profits rates and fractions will have an impact on small businesses. I happen to welcome clause 6 on the relief for first-time buyers and the increase of the threshold to £250,000 for first-time buyers. However, a first-time buyer still needs to get a mortgage, and even if they can only get 80 per cent., they will still need to find £50,000 in cash to buy a £250,000 home. There cannot be very many people in the Minister's part of east London who have a spare £50,000 in their pockets for a deposit for a house. I suspect that even those on the Tory Front Bench might struggle to find that kind of loose change, so although I welcome the move, it is slightly surreal.

Sir Nicholas Winterton: The hon. Gentleman has just talked about the amount that individual first-time buyers might need to put down to obtain a mortgage from a bank or building society. However, I hope he will accept that part of the problem in this country was that we were giving people too much money to buy houses with. In some cases Northern Rock was giving people 125 per cent. of the capital value. That surely led to some of the problems. Is there a figure that the hon. Gentleman believes it would be right for people to put down as a meaningful deposit on a mortgage?

Stewart Hosie: I would not want to set the business model for any bank or building society. If there was a particularly wealthy individual to whom it was quite safe to lend 100 per cent., it would be quite safe to do so. For others, the old rule of three or three-and-a-half times one salary, or two or two-and-a-half times a joint salary seems to make perfect sense. The hon. Gentleman is absolutely right: we cannot go back to lending at five times joint salary based on future pension provision; that was an act of absolute madness. But as his right hon. Friend the Member for Wokingham said in a debate a few weeks ago, if we need to invoke counter-cyclical measures from time to time when we begin to grow out of the recession, then perhaps we need to look again at some of the rules and restrictions.

With clause 12—this bears repetition—we are seeing six fuel duty rises in just over two years. With record prices at the pump and the barrel price having gone up by, I think, $30 in a year, that could be catastrophic for the haulage sector, for families and for those who need to drive to work, and the measure is, of course, inflationary in its own right.

Mr. Charles Walker (Broxbourne) (Con): I would like to raise my concerns in support of the hon. Gentleman's speech. With the price at about $80 a barrel, petrol is now more expensive at the pump than it was last year, when the price was $150 a barrel.

Stewart Hosie: The hon. Gentleman is absolutely right. As we have seen those rises in the barrel price—something like $2 in the past month, $10 in the past six months and $30 in the past year—we have seen a corresponding rise in the price at the pump. This issue is within the Government's control: they get the duty, but they also get a VAT windfall when the price at the pump goes up. In addition, as the barrel price rises, they get more North sea corporation tax, from the normal corporation tax and the ring-fenced regime. There are therefore windfalls for the Government from VAT, their own duty rises and North sea corporation tax, which is why the fuel duty regulator—or the Conservatives' version

[Stewart Hosie]

of a fair fuel stabiliser, or whatever some of the sensible Members on the Labour Benches called the measure—is exactly the right thing to introduce. Should the Conservatives win the next election, I hope they can be held to their promise to introduce their version of the fuel duty regulator quickly, to smooth out spikes in prices at the pump.

Mr. Redwood: I agree with the hon. Gentleman, but can he confirm that while tax is now two thirds of the pump price—the Government's imposition is a big reason why the price has gone up so much—the huge devaluation of the pound also means that the sterling price of oil has gone up far more than the dollar price?

Stewart Hosie: The right hon. Gentleman is right about the impact of currency fluctuations. He is right that duty and tax amount to approximately two thirds of the price of a litre, but the real killer is in wholesale diesel. Before tax, our diesel is among the cheapest in Europe; after tax, it is possibly the most expensive. From my point of view, as a Scot in an oil-rich nation, I find that quite abhorrent, especially when people are struggling to make ends meet and when we are seeing six rises—a 17 per cent. hike—in fuel duty over two years.

Schedule 1 deals with the levy on bankers' bonuses. The Minister said, as the Chancellor has previously, that it had brought in £2 billion, but the bankers do not pay the tax: the banks pay it. If there is £2 billion in the Treasury coffers, there is £2 billion less to lend to real people in the real world. As for scrutiny of these proposals, schedule 1 is 21 pages long, and we could easily have a two-day debate on that schedule alone to ensure that there were no loopholes in it. Instead, we are going to skip over it in the next hour-and-a-half.

This Bill is not a plan for recovery or growth; it is not even part of the package of proper fiscal consolidation. It is merely a harbinger of the deep and savage cuts to come. The Prime Minister said today, "We cannot cut our way to recovery, but we could cut our way to double-dip recession." That was hyperbole—delivered in the style of practised statistics oratory—but given the real-terms cuts now proposed, and the £57 billion that will come out of the economy in a single year a couple of years hence, why are those on the Treasury Bench not listening to him? Why do they think that the cuts proposed in the Bill and in their other measures will lead to anything other than a return to recession?

7.16 pm

Mr. William Cash (Stone) (Con): We have had an object lesson today in the problems relating to the necessity for radical parliamentary reform. We all know that during the American revolution, it was a case of "No taxation without representation". Tonight, with no one at all on the Labour Back Benches, we have a situation of plenty of taxation but no representation, and I am extremely worried about the taxation proposals before us, for reasons that I have already identified. I am not being critical of those on my own Front Bench when I say that I am deeply worried that this Finance Bill is somewhat unprecedented—to my mind, at any rate, but I have been here for 26 years. To my knowledge, we have never been through this procedure before. There have been proposals that have gone through rather rapidly in the wash-up stages, but I have never before witnessed what we have seen today.

The most important thing is to tell the British people the truth about the economy in the context of the public expenditure commitments, the cuts that will be required and the taxation that will be needed, which will supposedly be derived from the provisions in the Bill and other legislative measures, the effect of which the Government claim will balance off the deficit and reduce the debt.

My hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) and my right hon. Friend the Member for Wokingham (Mr. Redwood) pointed out that the most important thing is to regenerate the economy, and that in order to do so we must take an enterprise approach to manufacturing as well as to the service industries and to small businesses, to give them a chance to get up off their knees and to get the economy going again. I cannot see anything in the Bill—apart from one or two measures that our Front Benchers have identified—that would assist the small business community.

The national insurance issue is not even in the Bill, yet we know that it will cause immense damage to small and medium-sized businesses and to the people of this country at large, as hundreds of commentators have already said. I understand why it is not in the Bill, but its omission will have an impact on the Bill because there will be a greater requirement to raise more revenue as a result of what the Bill does contain. The real problem is that not a single penny—not one farthing—of public expenditure to pay for public services comes from anything other than private enterprise.

We all understand that public services are important and essential in their own way—no one on the Opposition side is advocating the abolition of public services; we are just asking for a proper and efficient public service sector—and the pensions that go with the sector are also important. As the CBI has commented over the last few days, public sector pensions are out of control.

The right hon. Member for Wokingham, my hon. Friend the Member for Braintree (Mr. Newmark) and myself call ourselves—or at least I call us—the Three Musketeers, as we have hammered away on the subject of the net debt for the best part of nearly two years. The reality is that the true debt this country carries has a huge significance for the amount of money that needs to be raised by taxation to fill the gap—and the amount of tax raised is woefully inadequate. According to the Office for National Statistics, it is in the order of £3 trillion. I received a letter from Sir Michael Stoner the other day, confirming my figures, as I had raised with him certain matters relating to this issue, and the House of Commons Library also confirmed them.

The figures vary between about £2.65 trillion and £3.21 trillion, but that is the minimum, as it gets worse if we add in the hidden costs of public sector pensions, Network Rail, private finance initiatives and nuclear decommissioning, on which an announcement has recently been made—and it is pretty horrendous. These amounts can be aggregated with the amount of debt to which the Government admit. Then there is the business of whether we include or exclude the financial sector interventions. If we include them, the situation becomes dramatically worse.

Mr. Redwood: Does my hon. Friend, like me, wonder who the Government think they are fooling? The markets are already making this Government pay a lot more to borrow than the German Government do, because they know that this Government have borrowed an awful lot more than the German Government have.

Mr. Cash: Indeed, that is completely true. I do not claim to be an expert economist by any means, but I am certainly trying to be analytical about the figures that I can see. I sometimes wonder whether the economists are quite as good as they are cracked up to be, because they quite frequently seem to get these things wrong. I acknowledge my right hon. Friend's point in relation to the veracity that can be attributed to the figures that we are given. As we saw only yesterday, in Greece there is a massive shortfall—

Madam Deputy Speaker: Order. The hon. Member must now focus his remarks on the Finance Bill that is currently before the House and on the measures contained in that Bill.

Mr. Cash: I entirely understand and accept the point you make, Madam Deputy Speaker. I also have to say that I am talking very realistically and in a practical way about the fact that the Finance Bill simply does not fill the gap created by the massive debt that has been accumulated. If the truth is not being told about the true level of the debt, it affects the Finance Bill and every provision in it. I regard this Second Reading as a kind of massive omnibus stand part discussion. This is the only opportunity to debate the issue, if I may say so, given that every single clause coming to its Committee stage will not be subjected to the clause stand part debates that normally take place with a Finance Bill. In addition, no amendments have been tabled—or, at least, none has been selected—from anyone other than the Government. The Committee stage will not take long, for the simple reason that there is no real opportunity to look at the context in which this massive deficit and massive gap in public expenditure can be filled.

There is another real problem here. If we look for a second at the level of unemployment that needs to be paid for, we see that the figures we have been given are themselves unrealistic.

I believe that, according to the economic indicators in a House of Commons research paper, the International Labour Organisation has said that 2.6 million people are unemployed, but there are about 1,600,000 job claimants. Given the effective unemployment level that results if those figures are added together, and given all the revenue that must be raised, the Bill will have to fund the payment of 4.1 million people.

As I said earlier, not one penny of public expenditure will come from any source other than private enterprise unless we simply go to the printing presses and print the money off. Not a single penny to pay for the public services that people need - and we advocate that, but on a rational basis—will come from any other source. If a Government do not get growth and enterprise right, which means putting the cart and the horse in the right order, they will not be able to provide for public expenditure. That is the one thing that this Government—in fact, all Labour Governments—totally fail to understand.

Mr. Redwood: You run out of money.

Mr. Cash: Indeed: you just run out of money. I strongly believe, given the inadequacy of this Bill, that the Government are not merely gazing into a black hole but leading us into it. We are beyond looking over the precipice, we are actually in the black hole, and never in the history of British financial affairs and taxation has a situation been so dire.

Sir Nicholas Winterton: My hon. Friend could describe the situation even more clearly. The Government believe in continuing to fund the public sector—that is their policy—but are destroying the private manufacturing commercial sector that could fill in that black hole by funding public services.

Mr. Cash: I pay tribute to my hon. Friend, who is leaving the House at the election, for continually and rightly emphasising that point. In the last two years the extent of the public sector has increased by 200,000, and that is another burden that the Bill will not be able to fund. There is a massive problem, and the Government are making it worse.

Other Members have mentioned fuel costs. Farmers in my constituency have told me that the costs of fuel to them and to the rural community are huge, and I entirely agree with them. Hauliers, and others involved in road transport, are having to pay much more because of increases in fuel prices, as are ordinary road users. There are so many increasing costs.

As the Bill makes clear, there is also a problem of over-regulation. I have already quoted from page 69 of the Bill and the proposed new section 213J to the Finance Act 2004, which deals with the appropriate pension increase, so I shall not do so again. I will, however, refer to the provision relating to what is described as

"The appropriate lump sum increase",

because I think it would be unfair not to make the House aware of it.

I am sure that these provisions will not be understood by anyone except a very small elite—and, of course, the expensive accountants and lawyers who will be wheeled in to work it all out at enormous expense. The effect of over-regulation on those who are afflicted by it is in itself a disincentive that lessens our ability to run an efficient economy. People can spend all their time dealing with this. That applies to farmers dealing with the over-regulation of their affairs and with their tax problems, and to other small businesses. How are pensioners supposed to cope with this kind of thing, even if they are relatively well off? It is absurd to have legislation of this complexity.

The definition of the "appropriate lump sum increase" is

"(ACLS × CALSARF) − (UOLS × OALSARF)".

That is just the defined benefits arrangement in respect of the so-called "appropriate lump sum increase". That has to be weighed up with the "appropriate pension increase", which I cited earlier in an intervention. My right hon. Friend the Member for Wokingham mentioned allowances, about which new section 212J(1) says

"C or P"

whoever they may be—

"has a relevant excess of allowances in relation to the relevant trade if—

RTWDV > BSV"

[Mr. Cash]

That is all it says.

Subsection (2) says:

"Section 212K defines R1WDV and section 212L defines BSV."

Honestly, this is absolutely ridiculous. This is the kind of legislation that we are being asked to passed. We are only on the Bill's Second Reading; we are not going to be able to examine things in Committee; and this is pure, unadulterated absurdity.

Mr. Redwood: I wonder whether my hon. Friend will be able to catch the eye of the Exchequer Secretary, because I am sure that she would love to intervene to explain this.

Mr. Cash: I do not want to embarrass the Exchequer Secretary. I am sure that she does not have the foggiest idea what I am talking about. I find that slightly alarming, given that we are about to have a general election and all the birds have flown—there is not a single person standing or sitting behind her. They have all flown back to their constituencies and landed the British people with this nonsense, which we are debating.

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): I was going to explain to the hon. Gentleman in my wind-up that these are formulae to value the defined benefit, and I assure him that they are understood by the pensions industry—the people who will have to use them. The industry has been consulted on them extensively.

Mr. Cash: Part of the trouble is that the ordinary man in the street—the kind of person whom we meet during a constituency campaign when we wander around—is not from the pensions industry; I am talking about real people, who would not understand this any more than I suspect would any of the hon. Members who ought to be here in serried ranks behind the Exchequer Secretary but who have all flown off to their constituencies because they find it so embarrassing to listen to this kind of attack.

Mr. Hoban: The Exchequer Secretary said that these formulae related to pensions, but of course the formula that my hon. Friend read out related to capital allowances.

Mr. Cash: It did indeed, and I am so glad that my hon. Friend made that point. I was correctly referring to the formulae as relating to allowances, because the matter arose out of a point made by my right hon. Friend the Member for Wokingham, who always understands these things or at any rate does his best to do so.

Sir Nicholas Winterton: My hon. Friend rather quickly passed over the problems of rural communities and farming. I believe that he was referring, to an extent, to the increase in hydrocarbon taxes. Is he aware that in many rural communities there is little or no public transport and so people, in many cases those on low wages, including pensioners, cannot lead a reasonable standard of life if they do not use a car? Is he also aware that the cost of such usage is being dramatically increased through taxation year on year? Does he agree that this is a very serious matter?

Mr. Cash: I certainly agree with that. I mentioned the unhelpful and damaging increase in road tax and fuel tax for rural people in my constituency, as well as the fact that the number of buses is being cut back—I have just presented a petition to Parliament on that very subject—for all the reasons that my hon. Friend, who perhaps ought to be right honourable, has just mentioned.

In the last hour, I have just received an answer from the Exchequer Secretary, who is sitting in front of us. I received a holding answer on 16 March and the question was answered on 7 April, so I have had to wait a bit of time for it.

Sir Patrick Cormack (South Staffordshire) (Con): Was it worth it?

Mr. Cash: My hon. Friend asks whether it was worth it, and we shall soon find out. I want to ask the Minister to give me a proper answer to the question that I put. My question was:

"To ask Mr. Chancellor of the Exchequer, what changes in levels of (a) taxation"—

in the Finance Bill—

"and (b) public expenditure will be required to finance the requirement to repay loans made from the public purse to banks, as referred to in the Financial Services Authority's publication Financial Risk Outlook of 10 March 2010."

It will be noted that I tabled my question soon after the FSA produced its financial risk outlook. I had to wait the best part of a month to get the answer, but the fact is that the FSA report said that it was inevitable that a significant proportion of the money that would be required to finance the repayment of loans was going to have to come from the taxpayer. The figures are horrendous. That is yet another element of the gap that exists between the Government's Finance Bill and the ability to pay for the mistakes and problems that have been accumulating.

What answer did I get from the Exchequer Secretary? She might or might not know what the answer is—she might not have even seen it. I do not know—

Sarah McCarthy-Fry: Of course I have seen it.

Mr. Cash: She says that of course she has seen it, but in that case she should have improved it. The answer that I have just received is as bland as this:

"The Financial Risk Outlook discusses liquidity and funding support provided to eligible institutions. Responsibility for repayment of such support lies with the eligible institution itself."

That is not what the financial risk outlook says. It is appalling that I should get an answer at this late hour, just before the debate on the Finance Bill. It was only by chance that I happened to be passing the letter board as I went out of this debate and I received an answer on the subject of the monumental amount of taxpayer burden. It arises out of the monumental and wanton increase in debt that itself does not even touch on the amount of net debt, which gets up to as much as £3.1 trillion if the Office for National Statistics is to be believed—I repeat that "if". I have much more faith in the ONS than I used to have, and I hope that it and the new UK Statistics Authority will develop into something akin to the Public Accounts Committee and the National Audit Office and establish a reputation, as has been suggested by Sir Michael Scholar's strictures on the

Government in the past few days, which I must say I applaud. However, I discovered something from the ONS the other day that deeply concerns me and I refer, just this once, to a subject with which some people might associate me: the ONS statistical base is agreed by EUROSTAT and that is a warning to us all. It was EUROSTAT's statistical assumptions that led to the ability of certain accountants, lawyers and bankers to advise the Greeks to enter into arrangements that have led to the crisis there. In other words, the EUROSTAT arrangements look as though they did not enable true figures to be provided, which enabled the Greeks to get away with it. That is where this Government are heading.

7.39 pm

Mr. Charles Walker (Broxbourne) (Con): Thank you for calling me to speak in this debate, Mr. Deputy Speaker. I am surrounded by four excellent gentlemen: my right hon. Friend the Member for Wokingham (Mr. Redwood), two knights of the shires—my hon. Friends the Members for South Staffordshire (Sir Patrick Cormack) and for Macclesfield (Sir Nicholas Winterton)—and my hon. Friend the Member for Stone (Mr. Cash). I am sure that if he pulls his finger out in the next few years, he, too, will be a knight of the shire or even a right hon. Gentleman.

This has been an excellent debate. I am not taken to acts of naked partisanship in the run-up to a general election, and I shall resist that temptation for at least the next 30 seconds. I have read the Finance Bill from cover to cover and it is very grim reading. It is a very concerning document. Its 167 pages are a metaphor for this Government's failing over the past 13 years. This is what we are left with: impenetrable clauses talking about figures and numbers that nobody could possibly understand unless they were working in a bank inventing impossible figures and numbers that would eventually bankrupt this country. It is not a document for growth: it is a document for further contraction in our economy.

We, in this place, have every right to be hugely concerned about this document, but the issue is not whether we are concerned: it is whether our constituents are concerned, and they should be. In this document, we have yet more hidden taxes—hidden taxes on middle-class families, hidden taxes on working-class families, frozen allowances and higher duties. Those will all damage people's quality of life. This is going to be a very short speech, as we prepare for the general election. The only people who are doing well out of this document are the people who publish "Tolley's Tax Guide", which has trebled in size over the past 13 years. If we have much more of this, it will treble again in just the weeks ahead.

Mr. Cash: Earlier in the debate, when my hon. Friend was not here, I ventured to suggest that we should consider a flat-rate tax. This legislation is so complicated and absurd that we have to find a way of reducing it. The rest of it is over-complicated for the people out there in our constituencies, and it is simply a milch cow for the accountancy and legal professions.

Mr. Walker: I agree. It is absolutely impossible, even for well-educated people who think they might have an understanding of these things, to penetrate the complexity of this document. As we speak, accountants and advisers around the country are popping champagne corks because they are the only ones who will benefit from this document.

I shall not try your patience, Mr. Deputy Speaker, because you will want me to talk about specific clauses, but as my right hon. Friend the Member for Wokingham has pointed out, there are so many clauses that it is impossible to do justice to even one of them, let alone all of them, in this truncated debate. I shall conclude by saying that we have had the boom and that this document represents the bust. It is a depressing and frightening 167 pages, and I am sure that the bulk of it will be rejected by my constituents, because it certainly is not an offer that they will feel able to sign up to.

Sir Nicholas Winterton: I am happy to put this question to my hon. Friend, but if he is unable to answer it, I intend to try to catch your eye, Mr. Deputy Speaker, to ask a single question of those on the Treasury Bench. Is my hon. Friend worried that the Budget does very little to reduce the Budget deficit? Unless we reduce our indebtedness in this country, the money markets are going to lose confidence in our ability to take sensible steps to do that. If they lose that confidence, we will lose our triple A credit status, which will immediately lead to increased taxation, increased interest rates and, I believe, increased unemployment. Is my hon. Friend, who is a young and virile Member of this House and who will go a long way in his parliamentary career, able to answer that question, or will I have to put it to those on the Treasury Bench in a speech, short though it will be?

Mr. Walker: This must not turn into a love-in, as we have serious matters before us, but I shall miss my hon. Friend greatly in the next Parliament.

The tragedy of the past 13 years is that all our constituents are left having to carry an enormous of burden of debt. The Government have no money: they spend our money on our behalf, and they borrow money on our behalf. Our hard-working constituents are left with the millstone of this Government's debt around their necks. That is a disgraceful legacy, and one that the Government should be ashamed of.

7.45 pm

Sir Nicholas Winterton (Macclesfield) (Con): I shall be brief, but I want to put a question to the two Ministers on the Treasury Bench.

Mr. Redwood: Where are the others?

Sir Nicholas Winterton: I am amazed that there is not a single Labour Back Bencher in the Chamber for the Second Reading of a very important Finance Bill.

This country is burdened with the greatest debt in its history. I am a long-serving Member of this House, and I come from a business background. In my view, the budget deficit is unsustainable. The Budget contains very few measures that will reduce it in a meaningful way that will regain the confidence of the financial markets.

If the money and bond markets lose confidence in this country and downgrade our triple A credit status, what will the Government do? Would that not mean that they would have to pay a great deal more for the money that they are continuing to borrow, and would that not lead immediately to emergency tax rises, rising inflation and the inevitable increase in unemployment that would cost a great deal of money?

[Sir Nicholas Winterton]

This is a very truncated Second Reading debate, and it is most unsatisfactory to deal with a Finance Bill in only three hours. I am about to leave the House, but I am deeply concerned about the future of the country, as are most of my constituents in Macclesfield. My area has a lot of manufacturing industry, including high-technology centres and pharmaceutical development and production. I am concerned for the future of our economic growth and our economy.

Mr. Cash: I am extremely grateful to my hon. Friend for giving way. My constituency is close to his, and I share his concern. He has led on the question of manufacturing for a great many years, through his all-party group and in other ways. Manufacturing in Staffordshire has fallen by 18 per cent. in the last three years. That is what he is talking about, and it is what worries us so much.

Sir Nicholas Winterton: I do not think that I need respond to my hon. Friend, who has made the point very clearly. I agree with everything that he said.

I believe that we are owed a response, because so many serious economists, as well as commentators on the economy of this country and on Government policy, are deeply concerned. We do not want to worsen the recession that we have had, but neither do we want to fall back into it. We must take serious steps to reduce the debt that this country has incurred.

We cannot go on living on other people's money. We have got to produce money to reduce our debt, and the budget deficit that, sadly, has been built up by this Labour Government. Through you, Mr. Deputy Speaker, I make a plea for those on the Treasury Bench to make a proper and constructive response to what I believe is a very serious question. As my hon. Friend the Member for Stone (Mr. Cash) said, I came into this House championing manufacturing industry. I go out doing the same because, as I have said before, it is the only source of sustainable non-inflationary economic growth. It can drag this country out of the dire problems that it faces at this time. Please let the people of this country—and me, as I have raised the question—have a sensible and proper response in the wind-up speech.

7.49 pm

Mr. David Gauke (South-West Hertfordshire) (Con): It is a great pleasure to wind up this relatively brief Second Reading debate on behalf of the Opposition. I thank Members for their contributions.

The hon. Member for Truro and St. Austell (Matthew Taylor) spoke for the Liberal Democrats, standing in for his colleagues. He made the fair point that only limited time was available for the debate, although if more time had been allowed I do not know whether we would have heard more contributions from his parliamentary colleagues; perhaps not. It was his final speech in the House, and he must be one of the youngest Members to retire after 23 years. On behalf of the whole House, I wish him, and in particular his eldest son, well in the future.

I thank my right hon. Friend the Member for Wokingham (Mr. Redwood) for an excellent speech. He highlighted the need for professional advice and input for our deliberations on these highly technical matters. There have been only two working days since the publication of the Bill, so we have not had the opportunity to receive professional input as we would normally do.

The hon. Member for Dundee, East (Stewart Hosie) raised the issue of fuel duty, and made a persuasive case for our fair fuel stabiliser policy, on which we are consulting. My hon. Friend the Member for Stone (Mr. Cash) argued that nothing in the Bill would assist small businesses, and that the real debt figure is considerably higher than the Government would admit to—a point that was also made by my right hon. Friend the Member for Wokingham, and has been made in the past by my hon. Friend the Member for Braintree (Mr. Newmark). I think that my hon. Friend the Member for Stone described them as the Three Musketeers.

No Second Reading debate on any subject is complete without a contribution from my hon. Friend the Member for Broxbourne (Mr. Walker)—or perhaps I should call him my hon. and virile Friend, to use the terminology of our hon. Friend the Member for Macclesfield (Sir Nicholas Winterton). My hon. Friend the Member for Broxbourne persuasively made the case that it was not possible to scrutinise the Bill properly in the time available.

Finally, I thank my hon. Friend the Member for Macclesfield. I know there is a convention in the House that Members are not supposed to make speeches or interventions before they make their maiden speech. I am grateful that no such convention applies to Members after they have made their valedictory speech. I had the great pleasure of winding up after my hon. Friend's valedictory speech during the Budget debate, and it was an equally great pleasure to hear him address the Chamber again this evening.

This is, we hope, this Government's final Finance Bill. Over the past 13 years our taxation system has developed a reputation for complexity and unpredictability. It has acquired a reputation for stealth taxes and the use of tax policy as a means to lay political traps for opponents rather than as the fairest and most efficient way of raising revenue. The Bill contains elements of all those attributes.

The Bill could have taken the minimalist approach and focused only on matters that needed to be addressed urgently. The Chartered Institute of Taxation made that point in a hurried but none the less professional submission, saying that

"the challenge to the Government is, quite simply, why any clauses more than those necessary to provide for the continuation of income tax and setting of duty rates should be passed."

It makes the point that a number of technical or practical problems might well be detected, given the limited time available to consider the Bill.

My hon. Friend the Member for Fareham (Mr. Hoban) highlighted several aspects of the Bill about which there could be difficulty. For example, clause 24 and its related schedule, which relate to pensions, are particularly complex. Clauses 31 to 33, which relate to charities, also contain numerous complexities, and the Chartered Institute of Taxation states:

"as far as we are aware the detail of these proposals has not been consulted on."

My hon. Friend also talked about clause 36, which relates to penalties in respect of offshore income, and might affect the nationals of countries with which we do not have tax information exchange agreements. He

also highlighted the position of the Gurkhas who have settled here, and raised the prospect of Joanna Lumley turning her attentions to Treasury Ministers; they may or may not find that an appealing thought.

Clause 56 deals with stamp duty land tax and partnerships, and the Chartered Institute of Taxation says:

"the clause as drafted will catch many transactions carried out for commercial reasons."

Clause 57 addresses the disclosure of tax avoidance schemes, and the institute says:

"we still have concerns about the breadth of the legislation."

It makes the point that given that implementation will not take place until autumn,

"it seems bizarre to rush it through in the first Finance Act".

The institute also raised concerns about clause 58, but we have succeeded in arguing that that should be removed from the Bill.

In many ways, the Bill introduces greater complexity, yet it is clearly not receiving the scrutiny that such measures normally receive. The situation helpfully supports an argument that Conservative Members have been making for some time: we need to do much more to improve scrutiny. We argue that it is necessary to publish draft legislation at the time of the pre-Budget report—in advance of the publication of the Finance Bill—to allow for proper scrutiny, including pre-legislative scrutiny by a parliamentary Committee. We would also establish an office of tax simplification that could advocate reforms to our tax law to make it less complex.

We will let these clauses through. Tackling avoidance is a perfectly reasonable intention—we have no difficulty with it—but we make a commitment that we will listen to representations made by professional bodies on the technical and practical implications of the Bill, and if appropriate return to those matters. I hope that the Exchequer Secretary will make a similar commitment. Many aspects of the Bill have not received the necessary pre-legislative scrutiny, and the Bill is clearly not getting the legislative scrutiny that one would expect, so there is a fair chance that it will contain errors that would have been picked up under the normal process. I do not believe for a moment that the normal process is sufficient in itself, but I hope that the hon. Lady will make a commitment that if her Government are re-elected, and if there are representations that deserve a proper response in a second Finance Bill this year, they will, if necessary, make revisions. We are certainly prepared to consult on these technical matters and to consider them further.

I have referred to the complexity and unpredictability in the tax system, but let me touch on stealth taxes. I am delighted that we will manage to remove three of those taxes from the Bill. The first is the increase in duty on cider: an increase 10 per cent. above inflation that does not focus on super-strength cider—a focus for which we have long argued—was a regrettable move and we are pleased that we have forced the Government to drop it from the Bill, or at least amend the provision. There will be a clear choice at the general election on whether it is implemented.

We have raised concerns about the policy on furnished holiday lettings ever since it was announced in last year's Budget. The proposed change in taxation treatment could affect 45,000 jobs and 60,000 businesses, and have a serious impact on various rural and seaside areas.

Lembit Öpik (Montgomeryshire) (LD): I apologise for not having been here for the entire debate. Does the hon. Gentleman agree with me that the change in holiday lettings taxation could not only seriously disrupt the potentially lucrative holiday lettings sector in areas where, for example, farmers are seeking to diversify, but force that business abroad? That would be utterly counter-productive, not only for the British economy but for British tourism.

Mr. Gauke: Clearly, there could be a serious impact on British tourism, which would be regrettable. That is why we proposed reforms that would be revenue-neutral, and we want to consult further to protect revenue and ensure that individual parts of the country are not heavily affected by the Government's proposal, which would damage tourism and wider communities. We are pleased to have got that out of the Bill.

Mr. Redwood: I congratulate my hon. Friends on getting those unpleasant taxes out of the Bill. Will my hon. Friend confirm that, as this is a Finance Bill, the Government, who have a majority in this place, can still do what they like, because the other place cannot stop the Bill?

Mr. Gauke: Of course, the other place does not have a view on the Bill. It is a matter of timing, and I am pleased that those of my hon. Friends who were engaged in negotiations on the wash-up were able to achieve three measures that prevented tax rises. Of course, they are only temporary measures. Stopping them properly is not in our hands or the Government's; it is in the hands of the British people.

The third tax I should mention is the landline duty—a levy that the Business, Innovation and Skills Committee described as

"both regressive and poorly targeted. It would have a much greater impact on the less well-off who will pay for an enhanced service which only a minority will enjoy."

There is a clear choice at the general election. We could continue with the present Government and see further tax rises—not just the three that I have mentioned, but the substantial increases in national insurance contributions, which are opposed overwhelmingly by businesses. We could continue with the present Government, who regard parliamentary scrutiny as nothing more than an inconvenience where tax law is concerned, or we could change to our policy of pre-legislative and parliamentary scrutiny. We could continue with a Government who believe in heaping yet more complexity on to our tax system, or change to a Conservative Government who are committed to simplifying the tax system.

We will not oppose Second Reading of the Bill. We have mitigated some of its worst effects, but it symbolises the present Government's approach, being about higher taxes, greater complexity and lack of scrutiny. That approach has run its course. It is time for a change.

8.4 pm

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): It is a pleasure to close the Second Reading debate on this year's Finance Bill. I thank all hon. Members who contributed, some of whom did so at great length and some of whom did so very briefly.

[Sarah McCarthy-Fry]

The hon. Member for Truro and St. Austell (Matthew Taylor) gave a valedictory speech; I guess that explains why most of his remarks were not actually directed at the Bill, but they were interesting none the less. We also heard contributions from the hon. Member for Fareham (Mr. Hoban), the right hon. Member for Wokingham (Mr. Redwood), the hon. Members for Dundee, East (Stewart Hosie) and for Stone (Mr. Cash), and the virile Member for Broxbourne (Mr. Walker)—that is how he will go down. We also heard from the hon. Members for Macclesfield (Sir Nicholas Winterton) and for South-West Hertfordshire (Mr. Gauke). A number of points have been raised, and I will try to pick up as many of them as I can in my speech.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I am sorry that I could not be here earlier, but I want to raise an issue about one of the Bill's provisions, given that it seems that there will not be a Committee stage. My point relates to clause 59, which is about the opening of postal packages. The Minister might have a chance to get a note on the subject. Why is the safeguard of allowing the addressee to be present, or indeed to be notified, being removed by an amendment to section 106 of the Postal Services Act 2000, which deals with contraband? Article 8 of the European convention on human rights is engaged by the opening of private mail. I would be grateful if she clarified the justification for removing that important safeguard, as that is not in the explanatory notes.

Sarah McCarthy-Fry: It is unfortunate that the hon. Gentleman was not here for, and unable to contribute to, the Second Reading debate. I will try to get the exact answer to his question, but the customs powers relate to the examination of goods imported in postal packets. Customs does not have powers to open or read correspondence. We are trying to tackle organised tobacco smuggling through the post—a point that was made in an intervention on the Financial Secretary when we were talking about tobacco rates and the incidence of smuggling.

Dr. Harris: That is very helpful, but I remind the Minister that under section 106 of the 2000 Act—I raise the point because it has been covered in the media—the threshold is that a postal operator may detain any postal packet that they suspect contains relevant goods and forward it to Her Majesty's Revenue and Customs. HMRC can then open whatever it receives. As it is, there is no reasonableness test. The only safeguard is that the person to whom the packet is addressed ought to be there, or at least needs to be notified. That is being stripped away by clause 59 of the Bill. The threshold is not HMRC suspecting anything; it is a postal operator suspecting. There is a low threshold, and the Bill removes one of the safeguards, or perhaps the only safeguard.

Sarah McCarthy-Fry: I can only repeat that we take tobacco smuggling very seriously, which is why an amendment is being made to clause 59. It is something that we wish to tackle. I shall try to get an answer to the hon. Gentleman's particular point, and if we do not get it by the end of the debate, I will undertake to write to him on the subject.

I want to pick up a point that the hon. Member for Macclesfield made, because he made his speech deliberately to raise it. He took the view that the Finance Bill does little to reduce the deficit. I do not agree with him, because it delivers our key tax measures, which are at the heart of our plan to halve the deficit over four years. Although this is a limited Finance Bill, we have in it the 50p tax rate, the pensions tax relief, the freezing of the inheritance tax threshold and the bank payroll tax.

The hon. Gentleman made a point about unemployment. I have to tell him that the actions that we took during the global financial crisis mean that we have not had the high levels of unemployment that there certainly were under the Conservative Government.

Many hon. Members spoke about manufacturing, yet we are increasing the capital allowances and the annual allowance for small businesses. I understand that the Conservative proposal is to cut capital allowances, which many manufacturing organisations have been very unhappy about, because that would not help manufacturing.

Mr. Gauke: On the subject of unemployment, what assessment has the Treasury made of the impact on employment caused by the increase in employers' national insurance contributions?

Sarah McCarthy-Fry: The national insurance increase will not come in until 2011. The whole point is that we will sustain the recovery, so we are not putting that measure in place now. We believe that it would damage industry, if it were to happen now.

Mr. Gauke: Is the Minister saying that unemployment in 2010 matters, but it does not matter in 2011? She must have an assessment of what effect those increases will have in 2011.

Sarah McCarthy-Fry: Of course I am not saying that unemployment does not matter in 2011. What I am saying is that if we took the Opposition's advice and started cutting things now and not supporting industry this year, we would see far higher unemployment. We believe that we have the balance and the timing right.

Sir Nicholas Winterton: I am grateful to the Minister for seeking to respond to my direct questions to the Treasury Bench. Will she not accept that one of the reasons that unemployment has not increased, as many feared, is because the Government have sustained the public sector, and a lot of unemployment has still occurred in the manufacturing and private sector? That the Government have sustained employment in the public sector is the reason why unemployment has not risen much higher.

Sarah McCarthy-Fry: I do not agree with that. The car scrappage scheme had nothing to do with the public sector, and it has sustained industry. The measures that we have taken have helped to keep unemployment down across the board.

Stewart Hosie: I am curious about this argument about manufacturing. Gross fixed capital formation is down—it has been bottom of the EU heap since 1997—and research and development spend has been lower than our major competitors since 1997. We lost a million manufacturing jobs since 1997 before the recession, and

we had an £81 billion balance of trade deficit in goods last year. Which bit of it does Labour think that it has got right?

Sarah McCarthy-Fry: Perhaps the hon. Gentleman will explain why we still have the sixth largest manufacturing industry in the world. We are supporting manufacturing industry; we need to support manufacturing industry. In particular, we need to support the green industries and the new industries that are coming through, which we want the UK to be at the forefront of.

Stewart Hosie: I could not agree more. We should support the new industries. There was an announcement about the games industry, which is vitally important in Dundee, but there is nothing in the Finance Bill and nothing in the Budget for 2010-11. It is always jam tomorrow, is it not?

Sarah McCarthy-Fry: That returns me to the point that this is deliberately a limited Finance Bill, because of the wash-up that we face. To those who claim that there has not been time to scrutinise the Bill, I say that it is deliberately limited, but around two thirds of the measures in it have been aired for comment and been consulted on formally and informally before their introduction here.

Mr. Redwood: Will the Minister explain why not a single Labour Back Bencher has attended most of the debate? No single Labour Back Bencher has thought it worth speaking on this very wide-ranging Finance Bill.

Sarah McCarthy-Fry: I am sure that our Back Benchers can speak for themselves on why they were not here. They have certainly been involved in the Budget process, and I am sure that they have confidence in those on the Treasury Bench to put the Finance Bill forward.

The right hon. Gentleman spoke a lot about the Bill's complexity. On the measures used by the World Bank, the UK compares favourably with other countries, and the World Bank ranks the UK first in the G7 for ease of paying taxes.

Turning to the points made by my right hon. Friend the Financial Secretary, we all know that we faced the deepest global recession in more than 60 years, and, as I said earlier, we have had to make difficult choices and take unprecedented action to support the economy, businesses and families. That support has worked. The economy has slowly returned to growth and the effects of the recession on households and businesses have been less severe than many feared—they have certainly been less severe than in previous recessions. However, uncertainties persist, and for that reason my right hon. Friend the Chancellor set out in the Budget debate the action that we will need to take as we confront the challenges.

It is right that we continue to provide targeted support for businesses. We have made huge strides, and, as I have said, we do not want to derail the recovery by withdrawing support from businesses too hastily.

Mr. Cash: But one effective way of derailing the recovery would be gravely to underestimate the net debt and the deficit. If the amount of money that the Government raise has absolutely no prospect of filling the deficit target that they have set, how much worse will the situation be based on the true debt, which the Office for National Statistics and the Library's researchers have indicated, and which is causing so much concern among credit risk agencies and the bond markets?

Sarah McCarthy-Fry: I have had these exchanges with the hon. Gentleman before. We believe that we have set forth the right measures, and that we will be able to support the economy as it comes through to recovery and enables us to reach our target of halving the deficit over four years.

I was talking about businesses, and the Finance Bill includes a number of measures to ensure that businesses continue to invest and grow, doubling both the support provided through the annual investment allowance and the lifetime limit on entrepreneurs' relief. The planned increase in corporation tax for small companies is being deferred further to support businesses through challenging times, and, as I have said, we also hope to support the low-carbon economy. We are halving company car tax for ultra-low-carbon cars, bringing in a zero rate for cars with no emissions and thereby helping to make the UK one of the best places in the world to build low-carbon vehicles.

We want to reduce borrowing at a pace that does not impede the recovery or damage front-line services. Borrowing has increased as a result of the help that we have given, and we have always maintained that it must be brought down once the recovery is assured. We have been clear that, as the economy recovers, the Government will halve the level of borrowing, and we believe it right that those with the broadest shoulders take the greatest burden, so the top 1 per cent. of taxpayers alone will pay the additional 50 per cent. rate of income tax. Most people do not pay inheritance tax, and, even with the freeze in the allowance, only 4 per cent. of estates are expected to pay in 2014-15. The restriction on tax relief on pensions will affect only 2 per cent. of pension savers.

The hon. Member for Fareham asked about the impact assessment changes to the administration costs. The original impact assessment, which was published at the pre-Budget report, was part of the industry consultation. As I have said, there was extensive consultation, in groups, seminars and by going out to talk to the industry, and the upward revision of the impact assessment costs reflects the evidence that stakeholders provided. However, we believe that the numbers in the final impact assessment are reasonable estimates, and we do not expect them to increase significantly.

Many people have said that pensions tax relief is complicated, and the hon. Member for Stone read out a formula. The second formula that he read out is in schedule 5, and he asked me whether I understood it. Sadly, I am afraid that I probably did, because in my job before I became an MP I used to deal with capital allowances for businesses. However, the formula that we discussed in schedule 3—the pensions formula—is being dealt with and is understood by the pensions industry, and the pension schemes will value that benefit.

We are taking a fair approach to halving the deficit, and many hon. Members—in particular, the hon. Members for Broxbourne and for Dundee, East—mentioned fuel duty. Questions were also raised about a regulator and stabiliser. There is an assumption, which the hon. Member for Dundee, East expressed, that the Government receive

[Sarah McCarthy-Fry]

a tax windfall when oil prices are high. Although revenues from North sea taxes admittedly increase, that is offset by a number of factors, such as lower corporation tax receipts because high oil prices reduce company profits, higher payments on index-linked benefits because rising oil prices push up inflation and greater costs of servicing index-linked bonds. Although the VAT take from fuel increases when pump prices rise, that is offset by the fact that people who pay more for fuel tend to spend less on other goods and services, so we have not seen a VAT windfall at such times.

A rise in fuel duty will play an important role in securing the public finances in the medium term, but we are sensitive to other pressures faced by families and businesses, which is why we are staging the increase in the next year.

Sir Nicholas Winterton: Will the hon. Lady respond to the serious and growing problems of rural areas, such as the hill country to the east of Macclesfield, where there is no public transport? How are people expected to live and have a proper standard of life if they have to pay more for transport, their allowances are frozen and they are not getting any increase in their wages? How can they pay?

Sarah McCarthy-Fry: We recognise the difficulties faced by people in rural areas who are dependent on the car. I say to the hon. Gentleman that fuel duty is still lower in real terms now than it was in 1999, and it is just one part of the cost of fuel. It is because we are sensitive to the pressures that people face that we are staging the increase.

I wish to move on to cider. Several hon. Members have made much of saying that we had proposed a pernicious increase in cider tax and that the increase should have been imposed just on higher-strength ciders. People pray in aid small cider producers, but in clause 69, which will remain in the Bill, we change the definition of cider. Much of the difficulty that people have had with the problem ciders is that they do not have a very high apple juice content. That is why we are changing the definition, which will not affect rural producers.

I wonder whether Members of all parties have seen the letters that I have received from those in the beer brewing industry, who have been complaining for a long time about the iniquity of the situation. In their view, with which we agree, there is an unfair difference between beer and cider duty.

Mr. Hands: Is the Exchequer Secretary saying that those letters from the beer industry argue that duty should be raised on cider but left unchanged on beer? Surely the Government created the wider differential in the first place.

Sarah McCarthy-Fry: Certainly the letters that I have had from the beer industry, including small brewers, express the opinion that it is very unfair. Even with the 10 per cent. increase that we planned to introduce, the rate of duty on cider would still have been half that on beer. We were trying not to close the gap totally, but to bring the two closer together. The two largest companies produce more than 80 per cent. of cider, and under our proposed regulations the majority of cider makers—almost 400 of the smallest producers—would have been subject to special conditions and not affected. None the less, we have gone through a process of negotiation and consensus, and the measure will not be in the Bill, although when we are returned to Government we will bring it back.

I believe that we have made the right choices through the duration of this global downturn. The Finance Bill continues the provision of help where it is needed most, and we are introducing measures in it to ensure that we can meet our commitment to halve the deficit over four years. I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

Finance Bill

Considered in Committee

[SIR ALAN HASELHURST *in the Chair*]

Clause 1 ordered to stand part of the Bill.

Clause 2

CHARGE AND MAIN RATE FOR FINANCIAL YEAR 2010

Question proposed, That the clause stand part of the Bill.

8.24 pm

Mr. David Gauke (South-West Hertfordshire) (Con): Given the time, I shall be brief.

Clause 2 relates to the main rate of corporation tax. I was rereading the Prime Minister's 1997 Budget speech when he highlighted the importance of the corporation tax rate, announced a reduction in that rate and highlighted the international comparisons. It might help the House to compare where we were in 1997 with where we are now. In 1997, our corporation tax rate was lower than the OECD average, but now it is higher; in 1997, our corporation tax rate was the 11th lowest, but now it is the 23rd lowest; we used to have the third lowest in the EU15, but now it is the sixth highest; and while the rest of the world has been cutting its corporation tax rates substantially, the UK has been caught up with and, in many cases, overtaken.

Clause 2 does nothing about that situation. We have made it clear that we intend to lower the corporation tax rate by broadening the base and reforming complex allowances. That has the advantage of sending out a signal to the rest of the world and international investors that the UK is open for business, and by lowering the rate we will also be in a position to remove some of the complexities and anti-avoidance measures that may be taken as a consequence of the UK having a rate that is not as attractive as that of our competitors. The Government tend to quote comparisons with the G7, but beyond that many countries now have a lower corporation tax rate than the UK.

The Exchequer Secretary said that some argue against those matters, and last week the Chief Secretary quoted General Electric's international tax counsel, Will Morris, on this. For the House's benefit, I thought it would be worth highlighting his comments at a recent Policy Exchange event on 22 March. He said that the Conservative's

"clearly stated commitment to manufacturing, and to streamlining, rather than abolishing, capital allowances, does actually lead me to believe that the proposed rate cut will send a positive message about investing in Britain."

It is important to address one of the concerns that has grown up under this Government. We have become increasingly uncompetitive in this area, so we intend to reduce the mainstream corporation tax rate from 28 to 25 per cent. and the small profits rate from 22 to 20 per cent. We believe that that will be a step in the right direction; indeed, we have ambitions to reduce the rate further, and have engaged some of the country's leading tax experts. They continue to provide advice to the Government and Her Majesty's Revenue and Customs, but we have asked them to develop proposals to reform our corporation tax regime to ensure that we have the best corporate tax environment in the G20. We should look beyond the G7; we should look at standards in the G20 as a whole, to enable us to bring our corporation tax rate down further. This Finance Bill could have been an opportunity to start some of those reforms and move towards a lower corporation tax rate, but it is an opportunity that has been spurned. However, we hope to have an opportunity in the months ahead to ensure that the UK once again has one of the most competitive corporation tax rates in the developed world.

8.30 pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): I was rather hoping that the hon. Member for Macclesfield (Sir Nicholas Winterton) might intervene in this debate on behalf of manufacturing and challenge those on his Front Bench, because the Engineering Employers Federation, on behalf of UK manufacturing, has described the proposal that the hon. Member for South-West Hertfordshire (Mr. Gauke) has just outlined to us—albeit perhaps not in as much detail as it would have been interesting to hear from him—as a "disaster". And so it would be, because the investment allowances that support manufacturing are crucial. It would be quite wrong to abolish them.

Mr. Gauke *rose—*

Mr. Timms: The hon. Gentleman also talked about "streamlining", whatever that might mean. Perhaps he is about to illuminate us with regard to what he had in mind.

Mr. Gauke: The Minister mentioned the EEF. Let me point out to him that the EEF has welcomed the discussions we have had with it about its proposals for a short-life asset regime. It has said that manufacturers will be encouraged to hear of our engagement in the matter, so the situation is not quite as the Minister portrays it.

Mr. Timms: I am pleased that the hon. Gentleman has been talking to the Engineering Employers Federation, although he should have talked to it a bit earlier and perhaps avoided the warranted criticism that his proposals have received.

At 28 per cent., the UK's corporation tax rate is at its lowest level ever. As the hon. Gentleman recognised, it remains the lowest in the G7. In our view it is important that we should retain the competitive position that that relatively low rate of corporation tax gives us. I welcome the fact that the Opposition are supporting—or not opposing—clause 2, and I commend it to the Committee.

Question put and agreed to.

Clause 2 ordered to stand part of the Bill.

Clauses 3 to 5 ordered to stand part of the Bill.

Clause 6

RELIEF FOR FIRST-TIME BUYERS

Question proposed, That the clause stand part of the Bill.

Mr. Mark Hoban (Fareham) (Con): I do not want to detain the Committee for too long on clause 6, as we have already expressed our pleasure at its inclusion in the Bill. It copies an idea that my hon. Friend the

[Mr. Mark Hoban]

Member for Tatton (Mr. Osborne) announced in October 2007, although the difference is that the proposal in clause 6 is limited to two years. However, I would like to ask the Government about two points of detail that have been raised with us.

First, as happens in many cases now, a first-time buyer might be helped out with the cost of a purchase by a parent or relative. That person might not have owned a home previously, but the provision applies if, as proposed new section 57AA(1)(d) of the Finance Act 2003 says,

"the purchaser, or (if more than one) each of the purchasers, is a first-time buyer who intends to occupy the residential property as the purchaser's only or main residence".

If a relative helps someone to buy a property but will not be living there full time, does the purchaser of that property still qualify for the relief?

The second point that has been raised with me relates to proposed new section 57AA(2)(a) of the 2003 Act, which says that "first-time buyer" means a person who

"has not previously been a purchaser in relation to a relevant acquisition of a major interest in land".

My understanding is that someone over 18 living at home would, even if they were not the purchaser, be deemed for legal reasons to have a major interest in land, and that their consent might be required if the home were being remortgaged. How is that situation dealt with in proposed new subsection (2)(a)?

Mr. Timms: In answer to the hon. Gentleman's first question, the issue would be whether the person who had previously owned the property owned a stake in the property being acquired as a result of the arrangement that the hon. Gentleman has described. If the answer was no, and those whose names were on the deeds were first-time buyers, they would be eligible. If someone else who was not eligible had a share in the equity of the property, the concession would not apply.

I did not entirely understand the hon. Gentleman's second question. I am not quite sure what he was asking about the relief. He appeared to be describing a situation in which an additional person in the property had not previously owned a property, and I do not think that the relief would be affected by that.

Mr. Hoban: The Minister has clarified my first point about the situation in which a gift has been made to help someone to purchase a property: the relief could still be granted for that purchase when a gift had been made by, say, a relative to enable someone to purchase a house. My second point related to whether someone who was over 18 and, say, living in their parents' home would be deemed to have a major interest in that property. Would the provision in proposed new subsection (2)(a) prevent them from taking advantage of the relief when they subsequently bought a home of their own?

Mr. Timms: I think I can reassure the hon. Gentleman on that. If someone who had been living in their parents' home and who had not previously owned a property or contributed to buying one subsequently left their parents' home and bought a property for the first time, they would be eligible for this relief.

Question accordingly agreed to.

Clause 6 ordered to stand part of the Bill.

Clauses 7 and 8 ordered to stand part of the Bill.

Clause 9

RATES OF ALCOHOLIC LIQUOR DUTIES

Mr. Timms: I beg to move amendment 1, page 6, line 42, at end insert:

"(4A) In section 62(1A) (as amended by subsection (4))

(a) in paragraph (b), for "£54.04" substitute "£50.22", and

(b) in paragraph (c), for "£36.01" substitute "£33.46".

The Chairman of Ways and Means (Sir Alan Haselhurst): With this it will be convenient to consider Government amendments 2 and 3.

Mr. Timms: Clause 9 increases alcohol duty rates charged on beer, wine and spirits by 2 per cent. above inflation, and on cider by 10 per cent. above inflation, with effect from 29 March. Together with VAT, these increases are equivalent to 2p on a pint of beer, 5p on a litre of cider, 10p on a bottle of wine and 36p on a bottle of spirits. As the Exchequer Secretary to the Treasury and I have explained, in order to ensure the swift passage of the Bill through the wash-up, I have tabled amendments 1, 2 and 3 to this clause. The amendments will reduce the rates of duty on cider from 30 June this year to a level consistent with a 2 per cent. above-inflation increase, in line with the increases for other alcoholic drinks.

The amendments will cost the Exchequer up to £15 million a year, and will undermine our intention of bringing the rates of cider duty more into line with those for other alcoholic drinks. We will therefore legislate to confirm the originally planned increases in a second Finance Bill, just after the election.

Sir Nicholas Winterton (Macclesfield) (Con): I clearly declare an interest: I am a long-time supporter of the Campaign for Real Ale, and I was the chairman of CAMRA (Real Ale) Investments, a little company that CAMRA formed. Why, despite all the evidence that pubs are closing and brewers are finding it increasingly difficult to survive, are the Government further increasing the tax on beer, a traditional British drink that is already highly taxed? In doing so, they are phasing out pubs which is where responsible drinking takes place. I hope that those on my own Front Bench will hear my request that, in the next Budget, the new Government will not continue to increase the tax on beer, which is used as a milch cow to raise funds.

Mr. Timms: I am delighted that we have been joined on the Front Bench by my right hon. Friend the Minister for Housing, who has a particular interest in the well-being and future of pubs and has done some very helpful work on that subject.

I would take the hon. Member for Macclesfield (Sir Nicholas Winterton) back to his earlier intervention when he drew attention to the need to address the deficit. We are committed to halving it over four years and this is an important step towards achieving that. I am pleased that he has been able to make a further

valedictory intervention and, along with everyone else, I want to wish him well for the future and express my appreciation for his contribution to the House over many years. Given that he has already made a point about the importance of addressing the deficit, I am sure he will recognise the importance of this measure, and I am pleased that his Front-Bench team has agreed not to resist this proposal.

Lembit Öpik (Montgomeryshire) (LD): The Minister will no doubt be aware that the cause of the closure of many pubs is not necessarily taxation, but the behaviour of the pubcos. One thing that his Government could do to reassure the pubs—

The Chairman: Order. I should say to the Committee that we have very little time left and this debate is supposed to be about the rates of duty on cider—and nothing else.

Mr. Timms: I commend the amendments and support the clause standing part of the Bill.

Mr. Greg Hands (Hammersmith and Fulham) (Con): You will recall, Sir Alan, that at this stage of the Finance Bill last year, I spoke for one hour and 17 minutes on an amendment dealing with alcohol taxation. I am afraid that I do not have the same amount of time available this evening. However, the Government's changes to alcohol rates deserve some scrutiny.

We are delighted to see the Government forced to climb down on their massive across-the-board tax raid on cider drinkers, but it is clear that, without Conservative intervention, this would never have happened. It is equally clear that only the election of a Conservative Government will ensure that the tax on cider comes back down again. The Financial Secretary has already been quoted in the press as saying:

"No policy will change as a result of the negotiations."

This is because, as he has laid out this evening, he intends to introduce a second Finance Bill after the election to ram the increase through against the protests from everyone—from the ordinary cider drinker to The Wurzels.

Mr. Paul Keetch (Hereford) (LD): May I put on record the fact that it was the Liberal Democrats who established the cider caucus in this Parliament and that it is the Liberal Democrats who have been campaigning to ensure that tax on cider is not increased? The hon. Gentleman should not take this as only a Conservative victory; he should take it as a Conservative and Liberal Democrat victory.

Mr. Hands: I am afraid to say that the hon. Gentleman was not there for the negotiations. I am going to mention the Liberal Democrat position on cider in recent years, because I am afraid that it has not been beneficial to the argument the hon. Gentleman is making this evening.

I just mentioned The Wurzels, and a piece of breaking news is that The Wurzels have today issued a press release welcoming the Government climbdown. It states:

"Here in the West Country cider is close to our hearts and if we, through our music and association with cider, helped bring this campaign to a cider head, then I think we all deserve a pint".

If they can wait until after 30 June, I can tell them that that pint will be rather cheaper, thanks to Conservative pressure yesterday evening. Similarly, the National Association of Cider Makers has rightly said that the increase

"has the potential to undermine what businesses both large and small have done and the great contribution they are making to the rural economy and communities they are part of."

On a number of occasions, I have met the NACM and some of the many small craft cider makers it represents. Their businesses are threatened by the Government's actions. In the west country and beyond, they know how punitive a 10 per cent. duty increase will be.

Several hon. Members *rose*—

Mr. Hands: I am not giving way, as I have only two minutes.

Those businesses will also be appalled that the Government, if they get the chance, are planning to undo the amendments before us today.

8.45 pm

Finally, let me say something about the Liberal Democrats' position. It is a pity that the hon. Member for Taunton (Mr. Browne), their spokesman on Treasury matters, is not present to witness the Government's climbdown on cider duties. The hon. Member for Twickenham (Dr. Cable) is not here either, but it was the hon. Member for Taunton who mentioned, during the debate on last year's Finance Bill, that he had tabled an amendment that would have frozen duty on spirits but left duties on cider unchanged. Attempting to justify the move, he said:

"Cider is not as widely drunk in my constituency as it once was". —[*Official Report*, 12 May 2009; Vol. 492, c. 778.]

That suggests to me that he is no great defender of the cider industry, although he is the Member of Parliament for Taunton. He subsequently tabled a further amendment to the Finance Bill which would have reduced taxes on beer but not, ultimately, those on cider. As we saw last year, the Liberal Democrats cannot claim to be friends of the cider industry.

The Opposition disagree with the whole basis of the Government's approach. Rather than imposing a blanket increase on all types and strengths of cider, we would direct tax increases at the problem, which is caused by high-strength, mass-produced cider. We believe in taxing those 3-litre supermarket bottles of problem cider rather than taxing ordinary, responsible drinkers.

Our approach is not specific to cider, however. We would apply the same approach to all alcohol duties. For example, we would also target super-strength beer. We believe in targeting problem drinks, not all drinkers. Meanwhile, the Government continue to make alcohol duties a blunter instrument than is necessary. Responsible drinkers are being punished, pubs continue to struggle, and the minority who cause trouble go unchecked.

Today we have won a significant victory for common sense on cider, but it is a forced victory. The Government's message to cider drinkers could not be clearer. They have given way temporarily, but are pledged to reverse this amendment if Labour is returned to power. Their message is simply this: if you want a 10 per cent. increase in cider tax, vote Labour. If you want your tax reduced—

8.47 pm

Three hours having elapsed since the commencement of proceedings, the debate was interrupted (Programme Order, this day).

The Chair put forthwith the Question already proposed from the Chair (Standing Order No. 83D). That the amendment be made.

Amendment 1 agreed to.

The Chair then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Amendments made: 2, page 7, line 32, leave out "this section" and insert

"subsections (2) to (4) and (5)".

Amendment 3, page 7, line 33, at end insert—

'( ) The amendments made by subsection (4A) come into force on 30 June 2010.' — *(Mr. Timms.)*

Clause 9, as amended, ordered to stand part of the Bill.

Clauses 10 to 22 ordered to stand part of the Bill.

Clause 23 disagreed to.

Clauses 24 to 57 ordered to stand part of the Bill.

Clause 58 disagreed to.

Clauses 59 to 64 ordered to stand part of the Bill.

Clause 65 disagreed to.

Clauses 66 to 71 ordered to stand part of the Bill.

Clause 72

INTERPRETATION

Amendment made: 7, page 36, leave out line 13. — *(Mr. Timms.)*

Clause 72, as amended, ordered to stand part of the Bill.

Clause 73 ordered to stand part of the Bill.

Schedule 1 to agreed to.

Schedule 2 disagreed to.

Schedules 3 to 20 agreed to.

Schedule 21 disagreed to.

Schedule 22 agreed to.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Bill read the Third time and passed.

Digital Economy Bill [*Lords*]

Considered in Committee.

[SIR ALAN HASELHURST *in the Chair*]

The Chairman of Ways and Means (Sir Alan Haselhurst): I must say to the Committee that before I propose the Question that clause 1 stand part of the Bill, I must inform hon. Members that two manuscript amendments have been tabled by the Minister to clause 11. Copies of a supplementary amendment paper with the texts have been in the Vote Office for some time. The amendments are numbered 44 and 45. I have selected them and grouped them with the second group of amendments under clause 4, where the lead amendment is amendment 39.

Clause 1

GENERAL DUTIES OF OFCOM

Question proposed. That the clause stand part of the Bill.

8.52 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr. Stephen Timms): Sir Alan, I am not going to move that clause 1 stands part of the Bill. In—

The Chairman: Order. For the sake of rectitude, I should say to the right hon. Gentleman that he does not have to move this. The Question is on whether the clause stands part of the Bill, so we shall see what the debate brings on that matter.

Mr. Timms: I am grateful to you, Sir Alan. As I say, I am not going to move this.

Clause 1 gives us a requirement in the Bill for Ofcom to promote investment in electronic communications networks and public service media content. That is an important measure, particularly given that there is wide agreement, including across the House, about the importance of promoting investment and of Ofcom facilitating the investment we need in next-generation broadband and in modern communications networks. Nevertheless, given the nature of this wash-up process and my wish to help other Members, I am not moving that the clause should stand part of the Bill and I am not seeking to persuade Members to support it.

Lembit Öpik (Montgomeryshire) (LD): I understand what the Minister is saying about the nature of the process. Is he aware that in Montgomeryshire, which has many "not spots", there is a general nervousness that the Government have not sought to legislate to guarantee good access to fast broadband across the country? How does his action on this clause interrelate with my efforts to try to get Montgomeryshire on to the information superhighway?

Mr. Timms: The hon. Gentleman raises a very important point. It is a matter of deep concern in rural areas across the country—in Scotland, where I have been recently, and in England and Wales too.

The key steps that are being taken are, first, our commitment to universal service at 2 megabits per second—because many of the areas about which the hon. Gentleman is talking do not have any broadband at all at the moment—by 2012. Broadband Delivery UK is working on that at the moment. Secondly, we need the landline levy—sadly not now in the Finance Bill for this year, although it will be in the Finance Bill that we will introduce straight after the election—with a 50p a month levy on phone lines that will give us the funding to invest in next-generation broadband in rural areas across the country. There is wide agreement across the House about the importance of next-generation broadband being delivered in rural areas. There also needs to be a means to deliver it. That is what the landline levy will give us. There will be no means otherwise.

Lembit Öpik: Am I therefore right to understand that the action that the Minister is taking on this clause does not represent a change of policy from the Government on guaranteeing 2 megabits per second to rural seats? Can I go back to Montgomeryshire and say that despite the fact that he will not press this clause, he will still give an absolute assurance that all the communities and homes in Montgomeryshire can expect 2 megabits per second broadband access were his Government to be re-elected, however rural or remote the settlement?

Mr. Timms: I can give the hon. Gentleman the reassurance that our universal service commitment stands.

Mr. Don Foster (Bath) (LD): The Minister tells us that he is sad that the broadband tax has been dropped and he said that it was being done to be helpful to the House. Will he explain why, given that there is a majority in this House and a majority in another place in favour of that tax, it has been dropped?

The Chairman: Order. I must say to the hon. Gentleman that that matter has nothing to do with the Bill or with the clause that we are discussing.

Mr. Timms: Thus warned, Sir Alan, I shall be cautious, other than to say that the hon. Gentleman knows well how these matters are determined.

Question put and negatived.

Clause 1 accordingly disagreed to.

Clauses 2 and 3 ordered to stand part of the Bill.

Clause 4

OBLIGATION TO NOTIFY SUBSCRIBERS OF REPORTED INFRINGEMENTS

Mr. Tom Watson (West Bromwich, East) (Lab): I beg to move amendment 36, page 6, leave out lines 16 to 20 and insert

'infringement of the owner's copyright appears to have taken place by means of an internet access service'.

The Chairman: With this it will be convenient to discuss the following amendment 37, page 6, line 27, at end insert

'by reason of the work in relation to which the copyright subsists being uploaded or downloaded to peer-to-peer filesharing networks.'.

Amendment 32, in clause 8, page 11, line 30, after 'copyright', insert 'through peer-to-peer filesharing networks'.

Amendment 33, page 11, line 31, after 'evidence', insert

'in relation to subsistence of copyright and infringement of the owner's copyright through peer-to-peer filesharing networks'.

Amendment 34, page 11, line 42, at end insert—

'(d) an indication of whether or not it is alleged that the subscriber or anyone else obtained financial or commercial gain from the alleged online copyright infringement through peer-to-peer filesharing networks.'

Amendment 30, in clause 9, page 12, line 39, after 'copyright', insert 'through peer-to-peer filesharing networks'.

Amendment 31, page 13, line 11, after 'copyright', insert 'through peer-to-peer filesharing networks'.

Amendment 27, in clause 10, page 14, line 13, leave out 'by means of the internet' and insert

'by reason of their infringing copyright through the use of a peer-to-peer file sharing network.'

Amendment 24, in clause 11, page 15, line 7, after 'providers', insert

'in relation to online copyright infringement through peer-to-peer filesharing networks'.

Amendment 40, in clause 17, page 21, line 2, after 'copyright', insert 'through peer-to-peer filesharing networks'.

Amendment 41, page 21, line 31, at end insert—

'"peer-to-peer filesharing network" means a network that allows files to be shared directly from personal computer to personal computer with no intermediate server - thus, peer to peer'.

New clause 3—*Objective of sections 4 to 17*—

'The objective of the measures in sections 4 to 16 is to move to a lawful means of access to copyright material for consumers and businesses and to reduce unlawful file sharing and other forms of copyright infringement.'

Mr. Watson: Sir Alan, you have always been a very patient man. I want to apologise to you in advance for the number of amendments that I suspect I will be moving alone. I know that you will patiently bear with me, but we have had to submit amendments and to consider our thoughts at light speed. Those people looking in will find the process as baffling as I am sure some of us in the Chamber do.

This basket of amendments is concerned with some definitions and with the scope of the Bill. Amendment 36 amends clause 4(1). This is about trying to identify liability. The wording in the Bill, as it stands, has an assumption of liability when it comes to people receiving notifications. Of course, a wi-fi network might have been used in a household. A parent might be paying for the broadband connection, whereas their children are illegally downloading. The assumption in the current wording is that that parent has authorised the child's infringement of copyright. My amendment would replace that wording with a neutral meaning to provide reassurance to parents up and down the country, students in houses in multiple occupation and anyone who shares a network, as the legislation would not assume guilt when a notification was sent out.

9 pm

Amendment 37 deals with definitions. The lineage of the Bill is that it came out of a consultation that lasted for six months and looked into how we deal with illicit P2P—person-to-person—file sharing. In the amendment, I try to give a narrow definition of P2P file sharing, as opposed to opening up a rather general definition of copyright infringement. If the amendment were accepted, it would probably save embarrassment to many people on both sides of the House because, under the clause as it stands, anyone who downloaded the image of Gene Hunt that has been used by both political parties would be caught by the measure. I will not embarrass one of my very good friends in the Whips Office who every day sends me clipped pieces of news reports from national newspapers, but that practice could be seen as copyright infringement under the clause unless the amendment is accepted.

Mr. Edward Vaizey (Wantage) (Con): Name him.

Mr. Watson: I shall not name him because, as the hon. Gentleman knows, naming Whips is not a good thing to do, particularly when one is moving an amendment that is hostile to the Government. I think I have chanced my arm enough. This Bill's whole definition has been broadened in the different iterations that have appeared since the original concept in the "Digital Britain" report, and I am trying to focus it just on P2P file sharing.

Dr. Nick Palmer (Broxtowe) (Lab): Does my hon. Friend agree that there is quite a lot of concern among members of the wider public who are interested in these things that this widening seems to be taking place in a Bill that is coming in right at the end of the Parliament, when there is limited scope for consideration? That is one reason why it makes sense to narrow the scope.

Mr. Watson: Yes: I have said categorically that if I had my way, the Government would remove clauses 11 to 18. Given the time scale, that would be a sensible way of going forward. I am really trying to tidy up what could be a catastrophic disaster if all the measures are voted through this evening.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I am grateful to my hon. Friend for giving way and for all the arguments that he has put forward so far this evening and previously. If those measures were removed from the Bill and it turned out that it was incredibly important to consider them at an early stage, I presume that they could be brought forward in the new Parliament in a very short Bill to deal with the matters that had arisen. Do they need to be dealt with tonight, at this stage, or could they be addressed in a few weeks if it was important to do so then?

Mr. Watson: I shall not be tempted to go too far on that point, except to say that we heard yesterday that there is broad consensus on some of the measures in the Bill. I feel certain that the House could consider all these clauses again straight after the election and give them the proper scrutiny that they deserve.

Lynne Featherstone (Hornsey and Wood Green) (LD): Does the hon. Gentleman agree that, given the very real public concern about this Bill, it is much more important to get things right than to get them through?

Mr. Watson: Yes; I was rather taken aback yesterday to hear someone—I think it was the Conservative Front Bencher—say, "Let's just get this Bill through and if there's anything wrong with it, we can put it right." Ten years into being here, I know that if we do things in a hurry and get them wrong, the law of unintended consequences always kicks in. It would be far better to remove clauses 11 to 18 and have a period of reflection.

Amendment 34 would place a responsibility on rights holders to inform people whether the infringement that the rights holders have identified was, in their view, done for financial gain or simply because those people decided to infringe. The thinking behind the amendment is that, because the lobby groups that we have talked to have given us a host of what I consider to be rather bogus financial and economic predictions about the effects of illicit file sharing, rights holders and internet service providers should be required to determine whether this so-called online privacy is being done for personal financial gain, or simply because people want to share things that interest them. That would allow us to build up a body of evidence showing the true effects of illicit downloading in the future. I believe that this is a reasonable amendment, and I hope that the Government will consider accepting it.

Amendments 32, 34, 30, 31, 27, 24 and 40 are consequential, and deal with definition. We want to get the Bill refocused on P2P file sharing alone.

John Hemming (Birmingham, Yardley) (LD): I thank the hon. Gentleman for giving way. He is making a point about the financial aspect of file sharing, but does he agree that many of the people being criticised in the Bill are children, and that they will not pay for downloads or access to sites because they do not have the money?

Mr. Watson: Yes, and the same is true more broadly for people who want to share knowledge, data, culture, art and music with each other. They are not motivated by financial gain. Much of the criticism that the Bill has attracted is based on the fact that it concentrates on the economic impact of file sharing, whereas its social and cultural impact has not really been discussed or teased out.

Amendment 41 provides a definition of P2P file sharing. The Government have had trouble in that regard, and this amendment is my stab at the problem. It may be a rather folksy and, I guess, amateur attempt but, given that the great people at the Department for Business, Innovation and Skills have been unable to come up with a definition, I thought that I would try.

I turn now to new clause 3. We have been told that the whole thrust of the Bill is to reduce illegal infringement and illicit file sharing by 70 per cent. The use of such a target strikes me as slightly naive and gauche, when we should really be adopting a carrot-and-stick approach. We could reduce copyright infringement and illicit file sharing by 70 per cent., but there is no certainty that that would raise a single penny for the creators and rights holders.

Accordingly, new clause 3 seeks to remove people from the illegal black or grey markets by placing an obligation on the Government to promote legal downloading. I hope that the greater optimism of that approach will take the place of the pessimism that pervades the Bill.

With that, I conclude my remarks on this basket of amendments.

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to support the amendments tabled in the names of my hon. Friend the Member for West Bromwich, East (Mr. Watson) and for Selby (Mr. Grogan). My hon. Friend the Member for West Bromwich, East has put his finger on the problems with the Bill, which are twofold. First, the Bill needs proper scrutiny in this House. That was the basis of yesterday's Second Reading. I did not speak because I hoped that the Government would listen to wiser, brighter and more technically advanced voices than mine, and realise that we need to be careful about what we introduce at such a time. I hoped they would also realise that what seemed merely a technical Bill has become emotive and—dare I say it—quite dangerous. My hon. Friend the Member for West Bromwich, East has just proved how difficult it will be to word the measure. He showed why we need proper scrutiny in Committee in the normal way, but that is not happening at all.

My hon. Friend's second point was that the Bill started with quite a narrow focus, but now seems all-encompassing. As he rightly said, the real worry is that we shall pick up the very people we do not want. We are looking for the pirates, the cowboys, the commercial operators and we shall end by picking up children.

Mr. Mark Todd (South Derbyshire) (Lab): My hon. Friend referred to proper scrutiny. The word he left out was "democratic"—the phrase should be "proper democratic scrutiny". The Bill has been scrutinised in the other place, but it is exactly the kind of measure that deserves the scrutiny of those who represent electors and who have much greater contact with citizens when dealing with matters of this kind. Does my hon. Friend agree?

Mr. Drew: I completely agree. Perhaps my position is unusual, but the Bill is getting me more of a postbag, and certainly more electronic contact, than any other issue at present. A few of us are standing for re-election and could do with getting on with that rather than trying to understand the Digital Economy Bill and trying to explain to people why what they think should be happening—proper scrutiny—is not happening.

I take the wise words of my hon. Friend the Member for West Bromwich, East: we need to tighten up the provisions. Like him, I should like to see clauses 11 to 18 go, but we are making a fist of at least refocusing the Bill, to make it narrower. What happened in the other place was almost the reverse of what normally occurs, which is tightening up things that have not been done satisfactorily in this place. Now we have the obverse; the other place seems to have gone on a fishing trip to extend the Bill—I say no more—and we have to try to make good the damage in the most limited time and in the most limited ways.

I can assure the Committee that our constituents—the people who have e-mailed and written to us—will be watching. They will not be at all pleased, just as they were not pleased yesterday when there was no vote on the Second Reading of this controversial Bill—its first hearing in this House. They will not be happy unless we give the Bill some scrutiny.

I finish on that point. I do not want to say more on this amendment, as I want to speak on the second group. However, as a number of Labour Members have chosen to stay here and make representations, I think it is fairly clear that we feel very unhappy.

Mr. John Grogan (Selby) (Lab): It is with great pleasure that I follow my hon. Friend the Member for Stroud (Mr. Drew).

The amendments could have the generic title—"The all-praise to Lord Carter amendments", because they seek to restore the Bill to his White Paper. I say quietly, and in parenthesis, that the subtitle might be, "Let's dare to question the wisdom of Lord Mandelson". I encourage my right hon. Friend the Secretary of State for Culture, Media and Sport to do that, because I know how closely he worked with Lord Carter on the original proposals that the amendments seek to restore by narrowing the scope of the Bill.

I have been contacted today by no fewer than three Ministers in Lord Mandelson's empire—I admit that that is a relatively small proportion of the total—and all of them expressed disquiet and said that we should continue to question the measures. They said, "We were all lined up with Lord Carter and we conducted an extensive consultation on illegal peer-to-peer file sharing and what should be done about it, but we are deeply unhappy with the wording of the Bill because it is now much broader and talks about online copyright infringement."

9.15 pm

Jeremy Corbyn (Islington, North) (Lab): My hon. Friend makes an important point. Does he accept that amendment 34 would bring some sanity to the Bill because it quite specifically states that action should be taken only against those who financially gain from such activity? That is different from the catch-all provision in the Bill that, as my hon. Friend the Member for West Bromwich, East (Mr. Watson) pointed out, will pick up all kinds of people who merely share information.

Mr. Grogan: My hon. Friend the Member for West Bromwich, East (Mr. Watson) has been working on the amendments night and day in the limited time available—[Hon. Members: "One night and one day."] Yes, but he has done a remarkable job. I am attracted by amendment 34, just as I am attracted by amendment 36, which would restore the United Kingdom view of the internet. Up until now, it has been assumed that a subscriber to an internet access service is responsible only for the actions that they take, but the Government's provision has the problem that it goes down the lines of the French model—it was actually rejected in the French courts—that a person is liable for any activity that takes place on an internet access service to which they subscribe.

Lord Carter would be proud of new clause 3 because it would restore the balance of the Bill by incentivising those who file share and internet service providers to develop new economic models that would result in a return to rights holders—the approach is as much carrot as stick. The stick that Lord Mandelson introduced—again, I speak softly—has completely distorted the Bill.

I urge the Committee to think carefully about the amendments. We look forward to hearing the Government's response. I do not think that there will be any alternative to voting against Third Reading, given the Bill's lack of democratic scrutiny.

Mr. Andy Reed (Loughborough) (Lab/Co-op): We have a very short time in which consider the Bill. Would it not have benefited from pre-legislative scrutiny,

[Mr. Andy Reed]

given that it is so technical and few Members probably understand all aspects of it? If it were to be defeated on Third Reading, I would look forward to it coming back and being scrutinised in such a way.

Mr. Grogan: Many Members in the Chamber—sadly I will not be one of them, because I shall not be here after the election—would make excellent Chairs of such a scrutiny Committee. There would be several candidates, and I would imagine that the Chair would be elected by the whole House—that would be a good way for the new House of Commons to start.

I will be interested to hear my right hon. Friend the Minister's reply to this short debate. I urge him to return to a position that reflects the spirit of what Lord Carter proposed.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): It is alarming, although not surprising, that it took me a search of the internet to discover exactly what amendments had been tabled, rather than finding out through the Vote Office.

I have raised my confusion about the Bill with the Secretary of State privately. I own the e-mail system that is predominantly used by my family—I sign it off. If one of member of my family was illegally file sharing, I could have my e-mail taken away, or rather I would say to them, "Apparently you're illegally file sharing, so if I was you, I'd go along to Gmail or Hotmail and open an account, and could you come off the family account?" Under the Bill, all that will happen is that we will endlessly change our ISPs and e-mail addresses. That is not a solution to the fundamental problem that I think that hon. Members want to solve. The critical point is that the intellectual copyright of musicians and artists must be protected online as well as offline. I support what my hon. Friend the Member for West Bromwich, East (Mr. Watson) said, but I do not understand how we got into this situation so late in the day, notwithstanding the apparent scrutiny that the Bill received in the House of Lords.

Mr. William Cash (Stone) (Con): It strikes me that a lot of the difficulties that we are experiencing and hearing about are not dissimilar to those encountered in previous attempts to resist the growth of modern technology. Even in the 16th century, there was an attempt to track down people who set up secret presses; it made no difference. Although the attempt to prevent what is regarded as an illegal use of technology is understandable to achieve certain objectives, it seems to me that, underneath that, there is an attempt to stem a tsunami. The number of people who have connected with their MP, with the public at large, on radio and on television represent a significant core—perhaps even a significantly vast range—of people who simply are not prepared to accept the restrictions that the Bill suggests should be imposed on them.

Perhaps there are all sorts of legal reasons why the proposals in the Bill have been assembled in a way that would achieve the objectives of the industry, but I have been reading material from the Open Rights Group, the Internet Service Providers Association, the BPI, which represents the UK recorded music business, and others. The chair of the Creative Coalition Campaign and general secretary of Equity says:

> "Those employed in the UK's creative industries have waited four years for laws to tackle illegal file-sharing—to delay now would further threaten the contribution that this sector makes to the economy."

I have no doubt that there is a strong degree of truth in the assertion that people engaged in the creative industries provide a lot of help and sustenance to the economy, but I believe also that it is wrong to pass laws that will be ignored.

As I described, people simply refused to accept restrictions on freedom of printing, and the same is true of freedom of expression and freedom of speech. We hear a lot of talk about freedom of information. I know that some will say that information can be freely available only if it is regarded as legal information, but over the past few months we have had some experience of illegal information being made available, with interesting consequences. I would not advocate that, but I will say that there is an element of, not only uncertainty, but impossibility in seeking to restrain something without proper consultation, without a properly considered Bill and without the sort of analysis that the subject requires. I have listened carefully to Labour Members: not one has yet suggested that they think that the legislative proposals set out in the Bill are understandable and capable of being explained to the people who would be affected by them. That is the practical question, which, among other reasons, will lead me to vote against Third Reading of the Bill.

I think that this is a bad Bill in the sense that is being rushed through. It is unthinkable that a Bill of such importance is being rushed through simply because the Prime Minister—I say this with respect to Labour Members—has set out in his five pledges something that approaches the content of the Bill. In addition, we are told that paper amendments are coming down from House of Lords as we speak.

The bottom line is that we are dealing with a situation that calls out for proper scrutiny. I have just attended the proceedings on the Finance Bill; not one single Government Member was present during the whole course of those proceedings. Perhaps one popped in for 20 minutes, but that was that. However, I have just come from the Dining Rooms and there are about 100 people sitting there, all talking to one another, and I suspect that they are there for a purpose. I suggest that the Government take that on board and realise that they are really up against it. The Bill should not be rushed through. It is not the Dangerous Dogs Bill; it is a very different type of Bill.

Mr. Don Foster: Is the hon. Gentleman aware that the deliberations in another place, which I think he will acknowledge were extensive, finished on 15 December? There have been three weeks—and in some days, business collapsed and ended early"—in which we could have had much greater deliberation on this very important Bill.

Mr. Cash: That is fascinating and very important. It illustrates the point that I have been trying to make, which is that the Bill is being pushed through in a way that is completely contrary to all the discussion that we have had over the past few months about radical parliamentary reform, which I strongly advocate, as

does my hon. Friend the Member for Christchurch (Mr. Chope) and many others in all parts of the House. The Wright Committee proposals have just been kicked not just into touch but into the gutter. The reality is that proposals such as those in the Bill would never get past a House Committee, or a Back-Bench business committee. An example is being set; what the Government have disgracefully done this afternoon with regard to the Wright Committee proposals could be balanced by a significant revolt against the way in which the House is being treated with regard to the Bill.

Mr. Austin Mitchell (Great Grimsby) (Lab): I will not spend time on the lecture delivered by the hon. Member for Stone (Mr. Cash), but I agree with him. He has turned cash-and-carry filibusters into a central part of the British constitution, and in this instance, he is absolutely right. I made my main position on the Bill absolutely clear yesterday, and I will not repeat what I said then. I shall be very brief. The central point is that we should not be discussing a series of amendments of this kind, although they are good and welcome amendments, at this late stage in the Bill's progress. The issues should have been discussed in proper scrutiny by the House of Commons, with representations from outside. Pre-legislative scrutiny would have been very helpful, too.

The main point is that the Bill uses a sledgehammer to crack a nut, so we are inducing a lot of fear in young people. I have had lots of representations—mainly by e-mail, it has to be said, which is a nuisance; I find it difficult to deal with. I have also had representations from young members of the Labour party—we have quite a number in Grimsby—who are all concerned, or frightened, that their harmless peer-to-peer file-sharing activities will be clamped down on. They fear that that will cause trouble for their family's internet connection and will lead to it being cut off. That is exactly the problem. We are not talking about big commercial operators who are defrauding the system; those should indeed be dealt with. The measures will have extensive repercussions for ordinary people with teenagers in the house, or young people around, who share files among themselves, thereby endangering the whole family.

Jeremy Corbyn: I do not know why my hon. Friend thinks that it is only young people who are worried about file sharing on the internet. An awful lot of very serious people are worried that they will lose their internet connection—internet connections that the Government spend a great deal of money promoting. Is he not aware that the measures could lead to the closure of internet cafés?

Mr. Mitchell: My hon. Friend is absolutely right.

The Chairman: Order.

Mr. Mitchell: I was not speaking for the silver surfers, of whom my hon. Friend the Member for Islington, North (Jeremy Corbyn) is obviously one.

The Chairman: Order. The hon. Member for Great Grimsby (Mr. Mitchell) could not hear me, but I was getting up to say that because he kept turning away from the Chair, I could not hear him. I am sure that I was the greater loser; he should address the Chair.

9.30 pm

Mr. Mitchell: I am very sorry that my internet connection with you was cut off, Sir Alan, but that is an illustration of what could happen to quite ordinary families, whether the people using the internet are silver surfers or teenagers. The danger is that file sharing, peer to peer, will endanger the connection for the whole family.

Mark Lazarowicz *rose—*

Mr. Mitchell: I will have to give way to another silver surfer.

Mark Lazarowicz: Is not one of the problems that the whole basis of this measure is that it assumes that the internet providers will not make mistakes? Many of us have people coming to our surgeries with problems with mobile phones or internet access, so mistakes are frequently made. Without an adequate appeals procedure, people will be doubly at risk of being cut off, and not just because they may be downloading illegally. They may be doing nothing wrong at all, but a mistake may have been made, against which they have no valid right of appeal.

Mr. Mitchell: That is true, and that is the second reason for supporting the amendment. My third reason would be that it is quite possible for people to snitch and sneak on each other, and report each other to the internet service provider just to make trouble. Again, that trouble can lead to a disconnection. For all those reasons, this use of a heavy weight to crack a quite trivial problem, which fails to deal with the commercial—

Stephen Pound (Ealing, North) (Lab) *rose—*

Mr. Mitchell: I am not sure how to describe my hon. Friend. He is certainly not a silver surfer.

Stephen Pound: More "Teenage Kicks", I would have hoped. As ever, my hon. Friend makes a persuasive point. But what happens if you have a young band of transcendent genius, such as Stiff Little Fingers or The Undertones, which is denied the opportunity of its royalties? Does he not realise that there is a case to be made for intellectual property and money coming to those start-up bands?

Mr. Mitchell: To answer my hon. Friend's transcendent genius, there is a case to be made for protecting intellectual property, and the Bill tries to make it. But it does so by placing a heavy weight of retribution on people who are not infringing intellectual property for commercial gain, which is what the measure is aimed at. That could be dealt with by altering the Bill, which proper scrutiny would have brought about, rather than by rushing through a piece of legislation that is bound to be damaging because it interferes with the activities of a lot of young people and produces an atmosphere of fear.

I am all in favour of dealing with commercial infringements for gain and for money, but those that are carried on by young people, peer to peer, should be excluded from the province of this Bill, and the amendments certainly try to do that. That is why they are worthy of support.

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): Has the hon. Gentleman completed his contribution? In plain words, has he finished?

Mr. Mitchell: I have.

John Hemming: I start by declaring some interests. I am a member of the BPI, the Performing Right Society and the Musicians Union, and I have also run e-commerce companies for more than 10 years.

The Bill is a complete mess. There is a real problem, and, to be fair, a lot of the market for music is among younger people, so although the industry overestimates the amount of money that it would gain from having a very much more restrictive approach on download, a lot of the music business is involved in selling to teenagers and perhaps even younger children at times. There is an issue here; there is no question about it. Musicians need a way of getting their return.

The first problem is trying to deal with a very complex issue in the wash-up. It is a completely absurd thing to do. I accept that the industry has had to wait four years for this, but that is not a reason to do it all in one night or two nights. That is a reason to drop clauses 11 to 18 and new clause 1 from the Bill and examine the matter properly in the new Parliament.

The dangers lie with sites such as WikiLeaks, which is a good example to look at. It publishes leaked Government information, on which Governments always have the copyright. A recent example is the US air force video, which it published. Copyright exists with the US Government, who under the Bill could, and would want to, apply to ban WikiLeaks from the UK. That provision is clearly in the Bill. Yesterday I gave the example of freedom of information. Most local authorities, when they send people freedom of information requests, say, "By the way, we keep the copyright on this." They keep the copyright, and they could say, "There are websites that report on freedom of information requests, and they can be banned as well." I know that it sounds absurd.

This debate comes down to the fact that we need to review copyright, fair use and where copyright does and does not exist. On the one hand, the Government are imposing massive restrictions on copyright, whereby any situation involving any vague copyright suddenly means banning everyone in the family from the internet. On the other, the Government are taking from a television programme a picture of an Audi Quattro and mashing it up—and then somebody else is doing the same thing. We have that absurdity.

In my previous life I did a little computer programming for my casework system, and I still do. With computer programming, a small amount of code can have a massive impact. A plane that flies on duff computer programming can actually crash, and the same applies to laws. Computer programming involves testing, and the lesson is that we should test things rigorously before letting them go live. With laws we have scrutiny, and that process should be rigorous, particularly when it involves something that is a part of so many people's daily lives.

The amendments are welcome, but the Government's big mistake has been to take on this most complex issue, which has wide implications. WikiLeaks is a good example to consider, as are the websites that report on freedom of information requests, because the Bill would give the US Government the opportunity to ban people from looking at WikiLeaks. I am sure that the Government do not wish to achieve that end, but the way to deal with the issue is not to push the Bill through in two nights without any adequate scrutiny, and not to push through new clause 1 or clauses 11 to 18—although I understand that clause 18 will actually be disagreed to. The way to deal with the issue properly is to spend some time on it in the new Parliament, so that it can be examined from all angles. There is a real problem, but let us not make a real mess of it in order to deal with just one aspect.

Dr. Palmer: I shall be brief, because time is short. I am possibly one of the few Members who have suffered directly from illegal copying. When I produced my video game it was almost immediately copied, and I presume that I lost some royalties from that. So I do not consider this to be a completely trivial problem, as has been suggested.

However, there are two basic difficulties. First, the remedy is inappropriate. I am completely open to the argument that we should have stricter penalties for people who seek to make money out of illegal copying, from which many young people, to whom we referred earlier, might benefit. However, young people are not the primary instigators. The primary instigators are the people who make the original illegal copy and sell it on for gain. If we blocked internet access for individuals who make use of illegal copying, that would be inappropriate in two ways: they are not the primary instigators, and although we can imagine that perhaps they should be fined, we would be denying them access at a time when society as a whole increasingly depends on access, and when we are attempting to reduce the digital divide. By analogy, if I misused the postal service and as a penalty I was no longer allowed to receive letters, that would simply not be the right solution.

Secondly, owners of copyright are generally quite powerful in their financial resources. I take the point made by my hon. Friend the Member for Ealing, North (Stephen Pound) that some of them may be start-up bands and not very well set, but there has been reluctance among major companies to pursue copyright infringements. Sometimes the infringements can be helpful in their marketing. As one of my constituents has said to me, targeting ISPs is a bit as though we were prosecuting road maintenance workers because the council had failed to impose the correct restrictions on how the roads were used. The ISP should not be our primary target in attempting to attack the problem.

Mr. Cash: Does the hon. Gentleman believe that, although we will not get the opportunity to look into it, there is a lot to be said for confining the offences to those who are both organised and acting for profit on a commercial basis? Any attempt to place a restriction on young people and then provide for an astonishing mechanism of appeals to a first-tier tribunal seems unbelievable. Young people who are engaged in the activities in question as a matter of practice will not be restrained, despite what everyone might want to say. We might end up producing an unworkable law on a fast track through the House, when there are remedies if we could only get down to the business of considering them properly.

Dr. Palmer: The hon. Gentleman is quite right. Either the law will be effective or it will not. If it is effective, it will impose intolerable sanctions on individuals who are not the main instigators. If it is ineffective, we are wasting our time. I agree that the focus should be on the wholesale commercial violators. I would be very much in favour of stricter penalties for them, because I recognise that there is a genuine problem.

Mr. Vaizey: I commend the hon. Member for West Bromwich, East (Mr. Watson), who has set himself up as the digital tsar of the House of Commons and an expert on all matters to do with the creative industries. He is filling a vacuum left by the Government, who have refused to replace the hon. Member for Birmingham, Erdington (Mr. Simon) since he resigned as Minister with responsibility for the creative industries.

Mr. Watson: I appreciate the hon. Gentleman's praise. I guess the vacuum that I am filling is the one left by the lack of amendments tabled by Conservative Front Benchers.

Mr. Vaizey: I will come on to that. I was going to commend the hon. Gentleman for his amendments, and he has been open and honest in saying that they are probing amendments that he scribbled on the back of an envelope this morning at 100 megabits a second. He knows that we have not had time to scrutinise them or for the Government to redraft them.

That is the point that I wish to address. If we had listened in isolation to the Labour contributions, we would have heard the most extraordinary bleating from the hon. Gentleman and from the hon. Members for Great Grimsby (Mr. Mitchell) and for Stroud (Mr. Drew). One would have thought that this was not their Government. The hon. Member for West Bromwich, East is one of the Prime Minister's closest friends, and the hon. Member for Great Grimsby is one of the House's most eminent Members. The hon. Member for Sittingbourne and Sheppey (Derek Wyatt) is a former Parliamentary Private Secretary in the Department for Culture, Media and Sport. Do they not know Ministers and the Prime Minister? Were they not able to say months ago, "Bring this Bill into the House of Commons and scrutinise it"?

We hear talk of Lord Carter of Barnes, the author and éminence grise of the Bill, as though he were somehow passed away, deceased and spinning in his grave. No, he is alive and well. He spoke in support of the Bill on Second Reading in the other place. It is true that he has left the country—many people are poised to leave the country if the Labour Government win again, and Lord Carter was simply anticipating that possible eventuality—but he is on his mobile phone and Members could ring him up to see what he thinks. It is pathetic for Labour Members to pretend that the fact that we have had two hours to debate the Bill on Second Reading and one hour in Committee has nothing to do with them. They are responsible for the lack of scrutiny of the Bill, and that must be put on the record.

9.45 pm

Dr. Palmer: Is the hon. Gentleman going to proceed from his party political knockabout to tell us what the Conservative party's position is? Were it to take power, would it not do something very similar?

Mr. Vaizey: We decided to support the Bill in principle. We would have loved to scrutinise the clauses being debated now and to table and debate amendments in the House. However, we supported the Bill in principle, and we support the principle that something should be done to combat illegal file sharing. In fact, every single Labour Member who has spoken has said that they support the principle that something should be done to combat illegal file sharing; they simply said that there is not enough scrutiny to make the Bill work, and whose fault is that? It is the fault of Labour Members.

Mr. Christopher Chope (Christchurch) (Con): If my hon. Friend is suggesting that the remedy proposed by those who tabled the amendments is wrong, what remedy does he think should be put in place instead?

Mr. Vaizey: We simply make the point that there is not time—we have been put in an invidious position. My hon. Friend the Member for South-West Surrey (Mr. Hunt) has made this absolutely clear. The astonishing position of the Labour Members—it's nothing to do with me, guv!—is absolutely incredible.

Mr. Watson: The hon. Gentleman is a very good friend of mine, and that is the most intellectually disingenuous contribution I have heard in the debate. If I, as a raggedy Back Bencher, can table a dozen amendments in 12 hours and write a speech, he should pull his finger out and do the same.

Mr. Vaizey: The hon. Gentleman is not even going to move all his amendments; he is simply putting them forward for form's sake. I ask him what conversations he had with the Prime Minister—a close personal friend of his—who could have brought this Bill forward for scrutiny. The fault lies on the Labour Benches and with those hon. Members who could have brought the Bill forward for scrutiny. I rest my case, Sir Michael.

Mr. Timms: I ask the House to resist the amendments in the name of my hon. Friend the Member for West Bromwich, East (Mr. Watson). Clause 4 deals with the obligation to notify. Several points have been made that will be raised later, but I shall comment on some of them now.

It is important for the House to be clear that we are debating the circumstances in which people should be notified that a copyright infringement has occurred. My hon. Friend said that the remedy is inappropriate, but let us be clear that the remedy here is to send people a letter informing them that a copyright infringement has occurred. I hope that, in dealing with peer-to-peer file sharing, as this part of the Bill does, that measure—sending letters to people—on its own will lead to a substantial reduction in the incidence of the unlawful activity about which we are concerned. Many people have rightly spoken about the seriousness of the concern about the current level of unlawful activity under way.

Mr. Don Foster: I apologise for interrupting so early, but will the Minister make it clear to the House that the ambition to reduce the number of illegal file sharing activities will be met not though letter-writing alone, but by placing requirements on the industry to develop new models that make it easier for people to legally access their material at an affordable price?

Mr. Timms: The hon. Gentleman is absolutely right. It is very important that the industry does that and develops an effective education campaign. In fact, I have seen some interesting proposals to do that, which I hope will go forward. However, we need legislation as well. The House needs to be clear that we cannot make headway on this issue unless we have legislation along the lines proposed.

Stepping back from the detail of the amendments, let me make a couple of points. Does anything really need to be done to address online copyright infringement? A subsidiary question might be: is legislation the right vehicle to do so? In a number of the speeches that we have heard, hon. Members have expressed misgivings about some aspects of the Bill. I am thinking, for example, of what was said by my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt), who, in his speech on Second Reading yesterday, strongly supported the need to support the creative industries in the Bill. However, my sense is that there is a pretty broad acceptance across the House that we are talking about a serious matter, that it needs to be addressed and that legislation is appropriate for addressing it.

There is certainly significant harm to our creative industries resulting from the current level of online copyright infringement. That harm is estimated in the impact assessment for the Bill at £400 million for music, film and TV. Others have come up with a larger figure for the content industries more widely. My hon. Friend the Member for West Bromwich, East talked about the games industry, which is certainly affected by online copyright infringement. The figure that the International Chamber of Commerce estimated for the scale of the problem is £1 billion, or perhaps more, so we are talking about a serious problem. My hon. Friend the Member for Great Grimsby (Mr. Mitchell) suggested that we are taking a sledgehammer to crack a nut, but it is not a nut; it is a serious problem that needs to be addressed.

Mr. Cash: There is a real problem, but there is also a problem of proportionality and realism. I return to the question that I put to the Minister earlier, which is simply this. I object to the speed at which the Bill is being progressed, but leaving that aside for the moment, if the Bill was more focused on that £400 million, or whatever figure the Minister quoted for the loss to legitimate complainants whose copyright was being infringed, so that only those who were organised and engaged in such activity for commercial advantage were affected, those complainants would get the benefit of a piece of legislation that was directed at something that can actually be tackled. The problem is that we are trying to engage in a surveillance society-like attack on young people, who will not take any notice and in respect of whom there will be no reasonable way of enforcing the Bill.

Mr. Timms: The hon. Gentleman's characterisation of clause 4 is quite wrong. It is a very focused provision, dealing with the problem of unlawful downloading by means of peer-to-peer file sharing, which accounts for the lion's share of the problem, although that will no doubt change in future. Clause 4 is proportionate to the scale of the problem, and we have come up with an effective method to address it. My hon. Friend the Member for Stroud (Mr. Drew) suggested that the provision had been added at a late stage, but that is not the case. It has been in the Bill from when it was published.

There are strong feelings on the issue, but let me say this to the House. We have heard the strength of feeling against what is in the Bill, which many people have expressed. However, the House also needs to recognise both the strength of feeling on the other side of the debate—a feeling that we need to move, as we are in this Bill—and its importance, not only given the point of view of an economically significant part of UK activity, but in terms of the number of people affected. That is reflected, for example, in the campaign of the Creative Coalition Campaign, the trade unions representing workers in the film industry and others. In the end, the House has to take a view. There are different and opposing views being expressed, and we have to take a view about what is right.[5]

John Hemming: On the practicalities of clause 4, proposed new section 124A(6)(d) of the Communications Act 2003 talks about collecting the IP address, which will be supplied to the internet service provider. How is that to be achieved?

Mr. Timms: When a copyright owner identifies that their copyright has been obtained by somebody without payment, they will notify the details to the ISP. The ISP will then send a letter to the customer who is responsible for that account. We are simply talking about letters being sent at that stage. I challenge anyone to suggest that sending such a letter would be a disproportionate response, given the scale of the problem.

John Hemming *rose—*

Mr. John Randall (Uxbridge) (Con) *rose—*

Mr. Timms: I will not give way. I need to make a bit more headway before I give way again.

It is right that we ask the industry to help to educate consumers and—as the hon. Member for Bath (Mr. Foster) rightly suggested—to develop the kind of attractive commercial deals that consumers want, at a price that they are willing to pay. However, we need legislation as well.

Turning to amendment 36, I think it appropriate that we should ask an internet access subscriber to be responsible for trying to ensure that their access is not used for unlawful purposes. That is what the current wording of the Bill does. Perfectly proper concerns have been expressed about children downloading material unlawfully. I remind the House that, under the clause, a letter would be sent to the person responsible for the internet access, to inform them that unlawful downloading had occurred. It would be a matter for them to ensure that their internet access was safeguarded. Sending a letter is entirely appropriate in such circumstances.

Mr. Todd: Will my right hon. Friend give way?

Mr. Timms: I would be grateful to my hon. Friend if he will forbear for a moment while I make a little more headway.

A couple of people have suggested that we should send out these letters only if people are doing this for financial gain, but I cannot accept that argument at all. That is almost like arguing that stealing is wrong only if it is being done for financial gain, and I do not think that anyone would seriously maintain that that is the case. It would depend on how one defined financial gain, but I believe that it would be wrong to restrict this

measure to cases in which there was clear commercial gain. People who take what others have paid for without paying for it are doing something that is already illegal; that is clear in the law at the moment. To say that we should not send a letter to such people is quite wrong.

Mr. Watson: The amendment does not seek to do that. It seeks to oblige people to say whether they think the infringement is for financial gain or not. That would enable the industry to gather its own evidence on how deep the piracy runs and how much of it involves people sharing not for financial gain. This is important because, if the Bill is going to go through—and there is an insistence that it does—there will be an emerging debate in the industry about incorporating a fair use clause following copyright reform. I hope that the Government will accept that this is about helping the industry to get its figures right. It is not about targeting a particular group; it is about collecting evidence.

Mr. Timms: I am grateful to my hon. Friend for that reassurance, but I do not think that we need to amend the Bill to enable the industry to collect data in that way. He is perfectly right about the need for us to reform copyright. The Minister for Higher Education and Intellectual Property, who was with me on the Front Bench yesterday, intervened to point out that the Government are developing a copyright strategy, which is certainly needed in the light of online technological developments. I say to my hon. Friend the Member for West Bromwich, East, however, that we ought not to give the impression that it is okay for someone to take something that they should have paid for without paying for it, so long as they are not doing it for commercial gain.

Several hon. Members *rose—*

Mr. Timms: I give way first to the hon. Member for Uxbridge (Mr. Randall).

Mr. Randall: It really is kind of the Minister to give way. I support him in what he says about copyright. I have a real problem, however, as a result of a constituency case in which someone was accused of illegal downloading. We found out that the IP number—I have to say that I am a member of the Luddite society on this issue—was not unique, so the provider gave an IP number and the person who thought that copyright had been infringed wrote to a person who had nothing to do with the infringement. What worries me is that, because the IP number is not unique to one particular person, there is a chance of innocent people being accused.

10 pm

Mr. Timms: There are some particular issues about mobile networks, and we could get into discussion about how to address them. When it comes to ordinary internet access, the case is quite straightforward. I remind the House that at this stage we are talking only about a letter being sent; that is all.

John Hemming: I return to the point that it does not matter whether the IP is version 4 or version 6. How can we get the IP address, as the copyright owner does not have control over the server from which the data are being accessed?

Mr. Timms: The copyright owner can obtain the information by observing the fact that somebody has downloaded material that is their copyright, which can be done by using the same P2P methods that the downloaders use. From that information, it is clear which service provider has provided that connection. The copyright owner gives the information to the internet service provider, but he does not know who is breaching the copyright; he does not know anything other than a technical address. The internet service provider, however, knows who is responsible for the account, and it writes to the individual to inform them that a breach has occurred.

I say to my hon. Friends that these amendments are not appropriate.

Mr. Todd *rose—*

Mr. Timms: I gladly give way to another of my hon. Friends.

Mr. Todd: I thank my right hon. Friend. I wanted to draw his attention to his repeated use of the phrase that an infringement of copyright "had occurred". In fact, what the Bill says is somewhat different—that what is required is that the copyright owner produce information about an "apparent" breach of copyright. I am puzzled about the test that must be applied to demonstrate that a genuine breach has actually occurred as opposed to an apparent perception of the same on the part of the copyright owner. I spent 20 years in the media industry, so I know that demonstrating precise copyright ownership is not by any means as straightforward as might be assumed.

Mr. Timms: I think that the copyright owner will be clear about what copyright they own. I say again to my hon. Friend, however, that in this part of the Bill, we are talking only about letters being sent. Clause 4 is about the circumstances under which a letter will be sent and to whom. We will come on later to the possibility of technical measures, which I hope we will never need to invoke because I hope that the letters alone will be sufficient to reduce the incidence of the problem.

My hon. Friend the Member for Sittingbourne and Sheppey said that people can simply change their e-mail address, but it is actually much harder and more difficult, although not impossible, to change one's internet access. We want to create an environment in which it is clear when people are doing things that they should not be doing and an environment in which they are discouraged from doing them. That is what this part of the Bill will provide.

My hon. Friend the Member for Great Grimsby (Mr. Mitchell) asked about technical measures which are not in this part of the Bill. I can, however, reassure him that no one will be subject to technical measures until they have received a number of letters, or notifications, and had an opportunity to appeal. We may come to those measures later.

I hope that the Committee will accept that ours is an effective and proportionate proposal, and will oppose the amendments.

Mr. Watson: My right hon. Friend suggested that I was making the case that the clause was a sledgehammer to crack a nut. That is not true. I understand the magnitude of the problem. I am making the case that

the clause is a steamroller, crushing any democratic accountability that the House may claim to have. Given that we have so little time, however, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Watson: I beg to move amendment 39, page 7, line 36, after 'subscriber', insert

'which have been the subject of notifications sent after the effective date of an order made by the Secretary of State under section 124H'.

The Second Deputy Chairman: With this it will be convenient to discuss the following: amendment 38, page 7, line 39, leave out 'electronic or'.

Amendment 26, in clause 11, page 15, leave out lines 21 and 22.

Amendment 16, page 15, line 25, after 'section', insert—

'(a) before the super-affirmative procedure under section 124HA has completed, and

(b) '.

Government amendments 44 and 45.

Amendment 17, page 15, line 27, at end add—

'124HA Super-affirmative procedure

(1) The Secretary of State must have regard to—

(a) any representations,

(b) any resolutions of either House of Parliament, and

(c) any recommendations of a committee of either House of Parliament charged with reporting on the draft order,

made during the 60-day period with regard to the draft order.

(2) If, after the expiry of the 60-day period, the Secretary of State wishes to make an order in the terms of the draft, the Secretary of State must lay before Parliament a statement—

(a) stating whether any representations were made under subsection (1)(a); and

(b) if any representations were so made, giving details of them.

(3) The Secretary of State may after the laying of such a statement make an order in the terms of the draft if it is approved by a resolution of each House of Parliament.

(4) However, a committee of either House charged with reporting on the draft order may, at any time after the laying of a statement under subsection (2) and before the draft order is approved by that House under subsection (3), recommend under this subsection that no further proceedings be taken in relation to the draft order.

(5) Where a recommendation is made by a committee of either House under subsection (4) in relation to a draft order, no proceedings may be taken in relation to the draft order in that House under subsection (3) unless the recommendation is, in the same Session, rejected by resolution of that House.

(6) If, after the expiry of the 60-day period, the Secretary of State wishes to make an order consisting of a version of the draft order with material changes, the Secretary of State must lay before Parliament—

(a) a revised draft order; and

(b) a statement giving details of any representations made under subsection (1)(a) and of the revisions proposed.

(7) The Secretary of State may after laying a revised draft order and statement under subsection (6) make an order in the terms of the revised draft if it is approved by a resolution of each House of Parliament.

(8) However, a committee of either House charged with reporting on the revised draft order may, at any time after the revised draft order is laid under subsection (6) and before it is approved by that House under subsection (7), recommend under this subsection that no further proceedings be taken in relation to the revised draft order.

(9) Where a recommendation is made by a committee of either House under subsection (8) in relation to a revised draft order, no proceedings may be taken in relation to the revised draft order in that House under subsection (7) unless the recommendation is, in the same Session, rejected by resolution of that House.

(10) For the purposes of subsections (3) and (7) an order is made in the terms of a draft order if it contains no material changes to the provisions of the draft order.

(11) In this section the "60-day period" means of the period of 60 days beginning with the day on which the draft order was laid before Parliament under section 124H.

(12) In calculating the 60-day period no account is to be taken of any time during which Parliament is dissolved or prorogued or during which either House is adjourned for more than four days.'.

Mr. Watson: Clause 4 deals with the obligation to notify subscribers of a copyright infringement. The Minister himself has described it as the so-called sending letters clause. I am deeply upset that the hon. Member for Perth and North Perthshire (Pete Wishart) is not present, as he spent considerable time lecturing the House on the fact that it was only about sending letters. To him it was simply about a letter-writing campaign to educate the nation on what its children might or might not be doing in regard to copyright infringement.

It is because the Minister himself said that the clause was only about sending letters that I was curious and concerned about subsection (8)(d), which suggests that

"copyright infringement reports relating to the subscriber may be taken into account for the purposes of any technical measures."

The amendment states explicitly that those letters will not be taken into account until Ofcom has prepared its report and the technical measures stage is reached.

Amendment 38—peculiarly, given that this is the Digital Economy Bill—is an analogue amendment. The Bill allows notifications to be sent either by post or by e-mail, but the amendment seeks to remove the capacity for them to be sent by e-mail. This is simply about the digital age. Many "digital natives" have huge amounts of dormant e-mail accounts. Indeed, if a Member of Parliament were suspected of copyright infringement in the next six weeks and had given his or her parliament.uk e-mail address to the ISP, it is highly likely that he or she would miss the e-mail. Members of the Communication Workers Union may also be grateful for the fact that Royal Mail will have more post to deal with.

Jeremy Corbyn: How does my hon. Friend expect a name and address to be discovered so that a letter can be sent, given that all previous correspondence may have taken place by means of e-mail and fictitious names may have been used?

Mr. Watson: If someone has an ISP connection, the bill is likely to be sent to a postal address, which will allow more certainty. People receiving notifications by e-mail may not see them.

Mr. Todd: Is my hon. Friend sure that a postal delivery will suffice? Many people may have chosen to form a contract with an ISP at some stage before moving, and may not have seen any particular reason to notify the ISP of a change of address.

Mr. Watson: My hon. Friend has identified a further flaw in the clause that I had not. The importance of the postal address is that if clause 4(8)(d) goes through and the number of notifications is taken into account when it comes to technical measures, there is an incentive for people to appeal at the first notification, even if they know that it is their next-door neighbour who has stolen their bandwidth and downloaded something that infringes copyright. They may have put a security measure on, but this could still be taken into account if a further copyright infringement takes place, so my proposal seeks to provide clarity on that.

Amendment 26 is about the powers of the Secretary of State. The Bill, as drafted, provides for the Secretary of State to decide to take technical measures at any point. If a Secretary of State were less charitable than the current incumbent—let us suppose that a successor was a lickspittle to a media oligarch who just gave instructions from his tax haven abroad—people could be cut off as a result of a single allegation of infringement by some hokey rights holder. The amendment seeks to remove or curtail the powers of the Secretary of State.

Mr. Todd: I just wish to strengthen that point. Does my hon. Friend share my surprise at the confidence of our Front-Bench spokesman in the ability of a copyrighter to demonstrate copyright, which is an area of extraordinary legal complexity where an assertion that someone has had their copyright infringed may have no basis whatsoever in fact?

Mr. Watson: As we see now—there are other amendments ahead of us—suspect practices take place whereby people make dubious allegations of copyright infringement to try to increase their revenue and frighten ordinary citizens. Thus I think my hon. Friend is right.

The three amendments are about providing clarity and certainty that the notification process takes place, and about curtailing the power of any future Secretary of State to abuse their judgment.

Stephen Pound: I am sure I cannot be the only Member of the House who feels considerable distaste at this list of sanctions, which can range from reducing someone's bandwidth to imposing a daily download limit. What worries me is that although my hon. Friend is addressing that issue, I have not yet heard an answer to the question relating to musicians, authors, poets, playwrights and film makers. What can we give them to protect their intellectual copyright and allow them to flourish, while rightly maintaining a neo-libertarian stance and trying to avoid a situation in which people get letters and go before second-tier tribunals?

Mr. Watson: I understand the point. I am sorry that my hon. Friend was not here on Second Reading, because some suggestions were made as to how we could do that. I would like there to be statutory licensing for online music. That is how we destroyed pirate radio in the 1960s; it took a Labour Government to oppose it for nine years, then we moved and that breathed life into the commercial radio sector. If I carry on talking like this I will be drawn away from the purpose of my amendments. I hope my hon. Friend knows that we both want the music industry to thrive. However, because this Bill has not been given adequate scrutiny we have not been able to improve it. The amendments that I have tabled are an expression of my legitimate concern that music lovers and internet users alike will not get justice if an allegation is made against them. This is not an attack on the music industry, and I hope that the tenor of his argument is along those lines; this is about trying to obtain a necessary settlement for people who have been accused of copyright infringement.

Mr. Don Foster: We are often concerned about why members of the public hold us in such low regard, but anybody observing our proceedings tonight will not be convinced that this House is doing its job of holding the Government to account. We have spent more than an hour discussing just one clause of a 50-clause Bill in the knowledge that we have less than an hour left to cover all the remaining clauses—that is hardly evidence that we are doing our job properly. It is frankly totally disgraceful that a Bill of this complexity has been given so little time for debate in this House.

10.15 pm

As I said earlier, it would have been possible to have the Second Reading much earlier—nearly three weeks ago—and to have had full deliberations in Committee for a three-week period before bringing the Bill back for the final stages. That is why so many of us are in such a difficult position. The hon. Member for West Bromwich, East (Mr. Watson) has already moved a number of really important probing amendments about various aspects of the legislation. We already know that this evening there will be no time to discuss, for instance, orphan works and the very legitimate concerns raised by photographers. That means that we will all be forced, I suspect, to vote against new clause 43.

There will be no opportunity to discuss why the Government are going to announce later this evening that they are backing down on one of their cherished projects, which is to have independently funded news consortiums, or to discuss in detail the other very important amendments tabled by the hon. Member for West Bromwich, East, me and other Members.

I speak to amendments 16 and 17 in particular. On Second Reading, I acknowledged that there was a serious problem in terms of providing support to our creative industries, which are losing hundreds of millions of pounds because of illegal activity on the internet. Action needs to be taken. That is why we have been willing to consider supporting the string of clauses—4 to 17—on illegal peer-to-peer file sharing.

We pointed out then that three additional conditions need to be put in place. The first was that we needed to have the super-affirmative resolution to ensure that the next Parliament could have proper scrutiny of any proposals to introduce technical measures, which we believe should be introduced only as a last resort based on clear evidence of the need for them. The super-affirmative resolution is what is proposed in amendments 16 and 17.

We also said that we needed to resolve the serious problems faced by our universities, schools and wi-fi cafés to ensure that they will not fall foul of this legislation, given that they often have one IP address and a very large number of users. That is the case, for example, in this place. Many of us use the same IP address.

We also said that we need to address the time scale in which the initial obligations code is produced by Ofcom, arguing that it could not possibly be given full justice if it was done within a six-month period, given that three of those months have to be spent in consultation with our European colleagues.

Adam Afriyie (Windsor) (Con): The hon. Gentleman is quite right to say that there is not enough time to consider this Bill in great detail. I am pleased that the Government have dropped one or two of the measures that they were going to introduce. There is some merit to his point about a super-affirmative resolution, but will he explain why it is relevant for clause 18, on site blocking, which his amendment seems to tackle, but not for clause 11, on technical measures?

Mr. Foster: I fear that the hon. Gentleman ought to do his homework a little better. If he reads the amendment that we are debating, he will see that that is exactly what it does. It proposes a super-affirmative resolution in relation to clause 11, which is what I said a few moments ago.

I am grateful to the Government for the fact that, although they have not entirely accepted the concept of a super-affirmative resolution, they have at an incredibly late hour—this afternoon—now tabled amendments 44 and 45. They go a long way, if not the whole way, towards addressing the concern about the need for a super-affirmative resolution. However, I believe it is crucial that we should have the maximum opportunity for scrutiny in the new Parliament. There should be an amendable resolution before that House before the severe technical measures are introduced. That is why I have tabled these amendments.

Mr. Grogan: I want to say a few words about the concept of the super-affirmative resolution procedure, which I had never heard of before last week when I was having my photograph taken with six members of the Mongolian Revolutionary People's party—a sister party of the Labour party—and Lord Mandelson. That is not an event that happens every day, but it did happen last week. Lord Mandelson whispered "super-affirmative resolution" in my ear. I was not quite sure what he was referring to, but I realised I would have to explain it to my Mongolian friends later, so I looked it up. It certainly is not the answer to the democratic deficit in this Bill, which will give Ministers of whichever party forms the Government after the election extensive powers to lay orders that will basically translate the principles of the Bill, which are very bad principles for much of it, into legislation.

Such orders will not be rushed through a legislative Committee of the House, as often happens with orders. Instead, there will be a 90-day consultation process in which a Committee—it is usually the Regulatory Reform Committee, but I do not know whether it would be another Committee at that stage—will take evidence. The Committee will also be able to propose amendments, but in the end the Government will be able to go through the normal procedures of getting an order through. Heavily whipped, the order will no doubt go through the House whichever Government is in power and on to the House of Lords. The idea that everyone in this House and outside who is concerned about the democratic deficit in the Bill can breathe a sigh of relief because we now have a super-affirmative procedure promise is far from the truth. The only super procedure that we need in this House is the old-fashioned super procedure of MPs considering a Bill line by line and giving it proper scrutiny. That is the super procedure we need, and the only way we will get it is by voting against Third Reading.

Dr. Palmer: I am just concerned, as are a lot of people out there, that what is underlying this debate is a Front-Bench stitch-up. None of the Front Benchers are saying clearly that they are taking a different course. They are whingeing at length about the process, but we are not hearing an alternative concept. For me, the basic case for what is being proposed has not been made, and until we have a coherent case, I am going to vote against it.

Mr. Timms: Let me comment on the three amendments that my hon. Friend the Member for West Bromwich, East (Mr. Watson) moved at the outset of the debate. On the first amendment, I can give him an assurance that technical measures will not be imposed until Ofcom has concluded its report. On the second amendment, we will certainly need to cover, in the code that the Bill requires to be drawn up, how the notifications will be sent out. I thought that his comments on that issue made a good deal of sense, but that is something that Ofcom will need to address, in conjunction with the industry, when drawing up the code.

On my hon. Friend's concern about giving undue power to a future Secretary of State, it is certainly right that imposing technical obligations is a big and undoubtedly controversial step to take. That is why clause 11 requires the Secretary of State to have regard to the assessment prepared by Ofcom as to whether technical measures should be imposed as well as to the reports prepared under clause 9. We have agreed that those documents should be published so that everyone can see the evidence that will inform the decision.

My hon. Friend and the hon. Member for Bath (Mr. Foster) have made a telling point. It is right that Parliament should have the greatest opportunity to scrutinise and debate the order. That is why my right hon. Friend the Secretary of State has today tabled the amendment that the hon. Member for Bath mentioned, which provides for the super-affirmative procedure. The procedure is, as my hon. Friend the Member for Selby (Mr. Grogan) rightly said, quite a novel arrangement. I thought he was going to tell us that it is well known in Mongolia, but he did not.

However, the procedure underlines the extent to which we want to maximise proper parliamentary scrutiny. Government amendment 45 sets out how it will work; proposed subsection (8) states:

> "In preparing a draft order…the Secretary of State must have regard to any of the following that are made with regard to the draft order during the 60-day period",

while proposed paragraph (b) of the subsection specifies,

> "any recommendations of a committee of either House of Parliament charged with reporting on the draft order."

I think that is a significant move, as it amends the Bill to address some of the concerns raised in amendment 26, the third moved by my hon. Friend the Member for West Bromwich, East.

The hon. Member for Bath talked about education and universities, but they are covered in the next group of amendments, so I will say no more about those matters now. He said that he would prefer it if Ofcom had more than six months to prepare the code, but I remind him that that period will not begin until two months after this Bill gets Royal Assent. That means that we are looking at rather longer than the six months stated on the face of the Bill.

In view of the amendments tabled by my right hon. Friend the Secretary of State, I hope that my hon. Friend the Member for West Bromwich, East will not press his amendment to a vote, and that the House will accept the Government amendments.

Mr. Watson: I am reassured about the first amendment in the group. However, I am not convinced on what my right hon. Friend has said about the second amendment, and certainly not by what he has said about the third. Nevertheless, because the House has important amendments still to discuss, I beg to ask leave to withdraw amendment 39.

Amendment, by leave, withdrawn.

Clause 4 ordered to stand part of the Bill.

Clause 5 ordered to stand part of the Bill.

Clause 6

APPROVAL OF CODE ABOUT THE INITIAL OBLIGATIONS

Mr. Don Foster: I beg to move amendment 15, page 8, line 25, leave out 'may' and insert 'must'.

The Second Deputy Chairman: With this, it will be convenient to discuss the following: amendment 35, page 8, line 29, after 'case', insert

'or in relation to a particular class of internet service providers or subscribers'.

Amendment 14, page 8, line 33, at end insert—

'(c) specifies reasonable rights and obligations in relation to a subscriber that is a library, an educational or cultural establishment, hotelier or internet cafe as a provider of networks operating between an internet service provider and a user of the network.'.

Amendment 29, in clause 10, page 14, line 31, at end insert—

'( ) an economic and social impact assessment as to whether any application of the technical measures will be proportionate to its likely affect on, inter alia, subscribers, households, businesses, users of wi-fi networks, not-for-profit organisations, libraries, educational establishments and the internet network; and'.

Amendment 43, in clause 13, page 16, line 35, leave out 'and' and insert—

'( ) that those provisions are proportionate to their effect and take into account the impact upon, and relevant arrangements made by, an educational establishment, prescribed library or accredited museum in order to achieve what the provisions are intended to achieve; and'.

Mr. Foster: I shall be very brief indeed. The House will know that I have already raised the concerns expressed by very many people about universities, libraries, small businesses, wi-fi cafes and the like. These organisations often have a very large number of users on a single system and could very easily fall foul of the legislation unless we ensure that that does not happen.

In another place, my noble Friend Lord Clement-Jones tabled an amendment to solve the problem, and he was given an assurance by the Government that it would be dealt with in the obligations code to be drawn up by Ofcom. Since that time, however, no amendment to that effect has been forthcoming from the Government—perhaps because we have had so little time to discuss any of these issues.

Therefore, to save the Government time and to help them out, we have drafted an amendment that would give effect to the promise that they made in another place. In that spirit, I hope that the Government will be willing to accept it.

Mr. Watson: I have tabled some of the amendments in this group. Amendment 35 is really a reaction to the Bill's economic impact assessment which, frankly, was fairly hopeless. It did not look at the impact on libraries, hotels, internet cafes or any other institution that might have wi-fi. The problem is the lack of clarity about what constitutes a service provider, and the amendment would enable Ofcom to define special categories of service provider, such as libraries, universities and institutions, that provide open wi-fi networks.

Amendments 29 and 43 deal with how we assess the technical measures that need to be taken. The aim is to provide some safeguards to ensure that such measures are proportionate. Obviously, we could take a technical measure to remove internet access from a parent because their child had been infringing, but that parent might sustain a small business in their home, employing a number of people. We should be removing those people from employment. There are many examples showing that the technical measures might be unfair and disproportionate to the infringement that had taken place. The amendments would provide protections in the Bill, so that Ofcom had an obligation to measure its proportionality and fairness.

10.30 pm

Mr. Denis MacShane (Rotherham) (Lab): I rise as a parent and a former president of the National Union of Journalists to humbly suggest to the Committee that the labourer is worthy of his hire. If someone puts his intellectual effort into writing an article, making some music or creating something, it should not be stolen from him and handed out free through the power of the internet.

As a parent, I have to say that it may not be the most unwelcome thing in the world for a father or mother to tell their child, "Actually, you can't spend all evening on the internet." I understand why the Liberal Democrats—representing big capitalism—generally oppose the measure, but as a socialist I am astonished that any Labour MP—

Mr. Watson: I am sorry that the right hon. Gentleman did not hear the earlier parts of this debate or Second Reading yesterday. He has just walked into the Chamber and expressed astonishment, but there are legitimate concerns about people having access to justice if allegations of copyright infringement are made under the Bill.

[Mr. Watson]

Those are the people we are standing up for—our constituents who may lose their livelihoods as a result of the Bill's being bounced through in an hour. I hoped that the right hon. Gentleman would have had a more proportionate response to our legitimate concerns.

Mr. MacShane: I have been following the debate in great detail. In the very last debate of this Labour Government, some of my hon. Friends are telling my journalist colleagues and others that they do not have the right to protect that which they have created, and to have some modest share of the value they add to our economy, because that would represent problems for wi-fi providers, internet café owners or hotels. That is not something I am happy with, and that is why, in the last, dying hours of a Labour Government, I am doing something that may be difficult for colleagues, which is to support a Labour Government. I do so not from Labour loyalty, but because I profoundly believe that the explosion of the net—of information provision—which I welcome, must not deny those who add value to it their chance to have some share of that which they produce.

Mr. Don Foster: Will the right hon. Gentleman give way?

Mr. MacShane: A Liberal Democrat asks me to give way. We are in the last dying hours of this Parliament. That party has always stood up for the rich and the privileged against the rights of journalists and trade unionists. I will not give way. If he wants to make another speech, he can do so.

Mr. Timms: I agree that what we are doing on infringement must not undermine our efforts to ensure that there is good public access to broadband and to rich content. Everybody will agree that that is important. We should not act to make commercial provision something that coffee shops, pubs or hotel chains will have to think twice about.

We need to put the provisions in context. It would not be right to introduce a large and growing loophole in what we are doing. If we did so, there would be serious consequences for providers. We need to keep that concern in mind.

Universities tend to take tough action against students or staff found infringing copyright, not just because it is unlawful, but because it clogs up valuable resource—bandwidth needed for legitimate use, including file sharing of research. However, I agree that libraries, universities and the rest need to be sent appropriate advice on reasonable steps that they can take to protect their networks. I agree that there might well be a case for such institutions to be subject to a different threshold than other subscribers. It would be rather silly—it would not make sense for anyone—if a big hotel faced the same threshold as an individual before being added to an infringement list.

I said on Second Reading that we would not approve any code that did not take full account of the needs of such subscribers. I repeat that now, and I think that it is the reassurance that the hon. Member for Bath (Mr. Foster) said that the Government gave in another place. No amendment is needed to give effect to that. The code will require the consent of the Secretary of State, and I am happy to confirm again that we would not give consent to any code that did not properly take account of the position of libraries and educational establishments.

Mr. Austin Mitchell: There is a type of case that is not covered by the Minister's reassurance. Somebody might park outside my house with a laptop, access my signal and abuse it without my knowledge. What would happen if such an abuse occurred and it could be traced back to me?

Mr. Timms: In such a case, my hon. Friend might receive a letter in due course informing him that an infringement had occurred on his internet access. He would then have the opportunity to protect that access.

Mr. Mitchell: How?

Mr. Timms: My hon. Friend could introduce a password so that somebody driving up outside his house would not be able to use his access. The letters that are sent out will have to give such advice and explain what people can do.

There are a number of things that libraries and others can do to prevent infringers from using their connection. For example, they can apply controls so that particular file-sharing sites with unlawful content are blocked at the subscriber level, which would be more difficult for an ISP to do more generally. Alternatively, they can block particular protocols or limit the bandwidth available so that file sharing on such connections is unrealistic. Such measures would allow libraries to prevent widespread infringement, but would still permit people to enjoy good online access.

I hope that I have provided some reassurance to hon. Members and that the amendments will not be pressed to a Division.

Mr. Don Foster: In light of the Minister's assurances, and because I am conscious of the time available, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 6 ordered to stand part of the Bill.

Clause 7

INITIAL OBLIGATIONS CODE BY OFCOM IN THE ABSENCE OF AN APPROVED CODE

Mr. Don Foster: I beg to move amendment 12, page 9, line 35, leave out 'six' and insert 'nine'.

The Second Deputy Chairman: With this it will be convenient to discuss amendment 13, page 9, line 36, leave out from 'force' to end of line 38.

Mr. Foster: I refer the Committee to the comments that I made a few moments ago regarding my concern about the time scale, which was why I tabled the amendments. I look forward to the Minister's response.

Mr. Timms: Taking my cue from the hon. Gentleman, I refer him to the remarks that I made a few moments ago, which I hope he found reassuring.

Mr. Foster: In the light of that reassurance, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 7 ordered to stand part of the Bill.

Clause 8

CONTENTS OF INITIAL OBLIGATIONS CODE

Mr. Timms: I beg to move amendment 2, page 11, line 23, leave out from 'transparent' to end of line 26.

The Second Deputy Chairman: With this it will be convenient to discuss the following: clause 18 stand part.

Government new clause 1—*Power to make provision about injunctions preventing access to locations on the internet.*

Government new clause 2—*Consultation and Parliamentary scrutiny.*

Mr. Timms: We want to remove clause 18, the text of which was inserted in another place on a joint initiative of the Conservatives and Liberal Democrats. New clauses 1 and 2 contain amended provisions, and I hope I can persuade the Committee that our approach is the right way to proceed.

We have set out why we did not think that the clause 18, which was inserted by the other place, would work and our concerns about introducing such provisions in such a way and at such a time. We have also set out why we think the text in new clauses 1 and 2 would have the same benefits, but ensure proper consideration, including full consultation and proper safeguards. The key benefits of the amended approach are that, as a power to introduce regulations, which is what we are providing for, it is enforceable; it does not immediately fall foul of the technical standards directive, as the existing text would.

There will be proper opportunities to consult on the measure and for Parliament to consider it via the now famous super-affirmative procedure, with any recommendations having to be taken into account. The Secretary of State must consider the proportionality of the regulations and the evidence that they are necessary to deal with infringement that is having a serious adverse effect. We can also ensure that any security law enforcement concerns are properly taken on board.

In addition, should such regulations be introduced, the court from which an order was being sought would need to consider carefully legitimate uses and users affected by any order, as well as have due regard to freedom of expression. We certainly do not want the clause to be used to restrict freedom of speech. We want to ensure that the safeguards are properly considered and that ISPs do not have an incentive to block sites purely on the basis of an allegation, for fear of bearing costs—although we also need to ensure that ISPs are not allowed to flout a decision of the court. Essentially, our view is that the costs should be borne, not by the ISPs, but by those seeking a court order.

The new clause we propose does the job of dealing with online infringement other than unlawful file sharing, which is dealt with by earlier parts of the Bill, but adds safeguards to ensure that the position of internet intermediaries and citizens are properly protected. On that basis, I commend the amendments.

Mr. Don Foster: On Second Reading, I acknowledged that two thirds of current illegal activity on the internet, which is costing our creative industries dear, comes from illegal peer-to-peer file-sharing, but the other third comes largely from persons downloading material from illegal websites, often hosted in Russia and that part of the world. Clearly, that is wrong and action is needed.

Having got rid of the all-embracing clause 17 in the original Bill, which gave the Secretary of State unfettered powers, my colleagues in another place thought it appropriate to table an amendment to deal with the problem of illegal websites. However, we did so in the certain knowledge at that time that we would not have got it all right and that it was likely to be the subject of extensive debate in this House. As I freely acknowledged last night and I repeat now, there is considerable concern in the community about that amendment; however, there is also widespread concern about the new clause now proposed, which has many faults.

First, the new clause penalises sites that facilitate access, or that are

"used for or in connection with an activity that infringes copyright."

That is too wide ranging and even puts sites such as Google at risk. Injunctions can be used against sites that are not only making such material available in the present, but that have done so in the past and that "are likely to". That is hardly a good basis for the principle of innocent till proved guilty.

There is not enough indication that the rights holders must take reasonable steps to notify the site owner before seeking an injunction. The proposed injunctions are indefinite, which is inappropriate, and the injunctions would, it appears, not cover all service providers. Infringing customers could therefore simply move from one provider to another, as the hon. Member for Sittingbourne and Sheppey (Derek Wyatt) said earlier. There are many faults in new clause 1. For the reasons that I have given, and because of the House's total lack of ability to scrutinise the proposals in detail, we will vote against amendment 2.

10.45 pm

Adam Afriyie: To be absolutely clear, in the other place, the Liberal Democrats proposed an amendment to the Bill, and argued vehemently in favour of it. Here in the House of Commons, they are now arguing against it. Am I right in understanding that to be the situation?

Mr. Foster: Of course the hon. Gentleman understands the situation absolutely correctly; he was present in the House on Second Reading when I made it perfectly clear. However, a person who has significant problems drawn to their attention is foolish if they do not take any notice of them, particularly in circumstances where, because of the Government's failure to provide adequate time, there has been no proper detailed consultation. I am surprised that the hon. Gentleman is willing to accept new clause 1.

Adam Afriyie: That was the most elegant of U-turns; it was beautifully put. It highlights the point that we have detailed and onerous decisions to make. I simply point out that the Bill has been incompetently rushed through the House of Commons, and many of the measures will need to be revisited at a future date.

Mr. Timms: Let me just remind the hon. Member for Bath (Mr. Foster) that what we are doing is taking powers to make regulations. The issues that he has

[Mr. Timms]

raised can, will and should be fully scrutinised through the super-affirmative procedure when the regulations are drawn up.

Question put, That the amendment be made.

The Committee divided: Ayes 197, Noes 40.

Division No. 131] [10.47 pm

AYES

Afriyie, Adam
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Amess, Mr. David
Anderson, Mr. David
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blizzard, Mr. Bob
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, rh Mr. Nicholas
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Chapman, Ben
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cryer, Mrs. Ann
Cunningham, Tony
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Evans, Mr. Nigel
Fabricant, Michael
Fitzpatrick, Jim
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Hall, Mr. Mike
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Hayes, Mr. John
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hesford, Stephen
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Humble, Mrs. Joan
Hunt, Mr. Jeremy
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Linton, Martin
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mann, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McIntosh, Miss Anne
McKechin, Ann
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Moffatt, Laura
Mole, Chris
Morden, Jessica
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Primarolo, rh Dawn
Purchase, Mr. Ken
Purnell, rh James
Randall, Mr. John
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Robertson, John
Ruddock, Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Sutcliffe, Mr. Gerry
Tami, Mark
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Touhig, rh Mr. Don
Trickett, Jon
Ussher, Kitty
Valzey, Mr. Edward
Waltho, Lynda
Ward, Claire
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Wiggin, Bill
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Lyn Brown and Kerry McCarthy

NOES

Abbott, Ms Diane
Austin, John
Barrett, John
Beith, rh Sir Alan
Breed, Mr. Colin
Burgon, Colin
Burstow, Mr. Paul
Carmichael, Mr. Alistair
Challen, Colin
Chope, Mr. Christopher
Corbyn, Jeremy
Davey, Mr. Edward
Davies, Mr. Dai
Davis, rh Mr. David
Drew, Mr. David
Featherstone, Lynne
Foster, Mr. Don
Grogan, Mr. John
Hancock, Mr. Mike
Harris, Dr. Evan
Hoey, Kate
Howarth, David
Howarth, rh Mr. George
Hughes, Simon
Jones, Lynne
Joyce, Eric
Keetch, Mr. Paul
Kilfoyle, Mr. Peter
Lazarowicz, Mark
Marshall-Andrews, Mr. Robert
Mitchell, Mr. Austin
Öpik, Lembit
Palmer, Dr. Nick
Price, Adam
Reed, Mr. Andy
Russell, Bob
Simpson, Alan
Thurso, John
Todd, Mr. Mark
Watson, Mr. Tom

Tellers for the Noes:
John Hemming and Mr. John Leech

Question accordingly agreed to.

Amendment 2 agreed to.

10.58 pm

More than two hours having elapsed since the commencement of proceedings in the Committee, the proceedings were interrupted (Order, this day).

The Chair put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Clause 8, as amended, ordered to stand part of the Bill.

Clauses 9 and 10 ordered to stand part of the Bill.

Clause 11

OBLIGATIONS TO LIMIT INTERNET ACCESS

Amendments made: 44, page 15, line 25, after 'unless' insert—

'(a) the Secretary of State has complied with subsections (6) to (10), and

(b)'.

Amendment 45, page 15, line 27, at end insert—

'(6) If the Secretary of State proposes to make an order under this section, the Secretary of State must lay before Parliament a document that—

(a) explains the proposal, and

(b) sets it out in the form of a draft order.

(7) During the period of 60 days beginning with the day on which the document was laid under subsection (6) ("the 60-day period"), the Secretary of State may not lay before Parliament a draft order to give effect to the proposal (with or without modifications).

(8) In preparing a draft order under this section to give effect to the proposal, the Secretary of State must have regard to any of the following that are made with regard to the draft order during the 60-day period—

(a) any representations, and

(b) any recommendations of a committee of either House of Parliament charged with reporting on the draft order.

(9) When laying before Parliament a draft order to give effect to the proposal (with or without modifications), the Secretary of State must also lay a document that explains any changes made to the proposal contained in the document laid before Parliament under subsection (6).

(10) In calculating the 60-day period, no account is to be taken of any time during which Parliament is dissolved or prorogued or during which either House is adjourned for more than 4 days.'—*(Mr. Timms.)*

Clause 11, as amended, ordered to stand part of the Bill.

Clauses 12 to 14 ordered to stand part of the Bill.

Clause 15

ENFORCEMENT OF OBLIGATIONS

Amendment made: 3, page 19, line 42, after 'provider' insert 'or owner'.—*(Mr. Timms.)*

Clause 15, as amended, ordered to stand part of the Bill.

Clauses 16 and 17 ordered to stand part of the Bill.

Clause 18 disagreed to.

Clauses 19 to 28 ordered to stand part of the Bill.

Clause 29 disagreed to.

Clauses 30 to 42 ordered to stand part of the Bill.

Clause 43 disagreed to.

Clauses 44 to 48 ordered to stand part of the Bill.

Clause 49

COMMENCEMENT

Amendment made: 7, page 59, line 44, at end insert

'and the entry in Schedule 3 relating to the Public Lending Right Act 1979 (and section 47 so far as it relates to that entry)'.—*(Mr. Timms.)*

Clause 49, as amended, ordered to stand part of the Bill.

Clause 50

SHORT TITLE

Amendment made: 8, page 60, line 3, leave out subsection (2).

Clause 50, as amended, ordered to stand part of the Bill.

Schedule 1 agreed to.

Schedule 2 disagreed to.

Schedule 3 agreed to.

New Clause 1

POWER TO MAKE PROVISION ABOUT INJUNCTIONS PREVENTING ACCESS TO LOCATIONS ON THE INTERNET

'(1) The Secretary of State may by regulations make provision about the granting by a court of a blocking injunction in respect of a location on the internet which the court is satisfied has been, is being or is likely to be used for or in connection with an activity that infringes copyright.

(2) "Blocking injunction" means an injunction that requires a service provider to prevent its service being used to gain access to the location.

(3) The Secretary of State may not make regulations under this section unless satisfied that—

(a) the use of the internet for activities that infringe copyright is having a serious adverse effect on businesses or consumers,

(b) making the regulations is a proportionate way to address that effect, and

(c) making the regulations would not prejudice national security or the prevention or detection of crime.

(4) The regulations must provide that a court may not grant an injunction unless satisfied that the location is—

(a) a location from which a substantial amount of material has been, is being or is likely to be obtained in infringement of copyright,

(b) a location at which a substantial amount of material has been, is being or is likely to be made available in infringement of copyright, or

(c) a location which has been, is being or is likely to be used to facilitate access to a location within paragraph (a) or (b).

(5) The regulations must provide that, in determining whether to grant an injunction, the court must take account of—

(a) any evidence presented of steps taken by the service provider, or by an operator of the location, to prevent infringement of copyright in the qualifying material,

(b) any evidence presented of steps taken by the copyright owner, or by a licensee of copyright in the qualifying material, to facilitate lawful access to the qualifying material,

(c) any representations made by a Minister of the Crown,

(d) whether the injunction would be likely to have a disproportionate effect on any person's legitimate interests, and

(e) the importance of freedom of expression.

(6) The regulations must provide that a court may not grant an injunction unless notice of the application for the injunction has been given, in such form and by such means as is specified in the regulations, to—

(a) the service provider, and

(b) operators of the location.

(7) The regulations may, in particular—

(a) make provision about when a location is, or is not, to be treated as being used to facilitate access to another location,

(b) provide that notice of an application for an injunction may be given to operators of a location by being published in accordance with the regulations,

(c) provide that a court may not make an order for costs against the service provider,

(d) make different provision for different purposes, and

(e) make incidental, supplementary, consequential, transitional, transitory or saving provision.

(8) The regulations may—

(a) modify Chapter 6 of Part 1 of the Copyright, Designs and Patents Act 1988, and

(b) make consequential provision modifying Acts and subordinate legislation.

(9) Regulations under this section may not include provision in respect of proceedings before a court in England and Wales without the consent of the Lord Chancellor.

(10) Regulations under this section must be made by statutory instrument.

(11) A statutory instrument containing regulations under this section may not be made unless—

(a) the Secretary of State has complied with section [Consultation and Parliamentary scrutiny], and

(b) a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

(12) In this section—

"copyright owner" has the same meaning as in Part 1 of the Copyright, Designs and Patents Act 1988;

"Minister of the Crown" has the same meaning as in the Ministers of the Crown Act 1975;

"modify" includes amend, repeal or revoke;

"operator", in relation to a location on the internet, means a person who has editorial control over material available at the location;

"qualifying material", in relation to an injunction, means the material taken into account by the court for the purposes of provision made under subsection (4);

"service provider" has the same meaning as in section 97A of the Copyright, Designs and Patents Act 1988;

"subordinate legislation" has the same meaning as in the Interpretation Act 1978.

(13) In the application of this section to Scotland—

"costs" means expenses;

"injunction" means interdict.'.—*(Mr. Timms.)*

Brought up, and added to the Bill.

New Clause 2

CONSULTATION AND PARLIAMENTARY SCRUTINY

'(1) Before making regulations under section [Power to make provision about injunctions preventing access to locations on the internet] the Secretary of State must consult—

(a) the Lord President of the Court of Session and the Lord Chief Justice of Northern Ireland,

(b) the persons that the Secretary of State thinks likely to be affected by the regulations (or persons who represent such persons), and

(c) such other persons as the Secretary of State thinks fit.

(2) If, following the consultation under subsection (1), the Secretary of State proposes to make regulations under section [Power to make provision about injunctions preventing access to locations on the internet], the Secretary of State must lay before Parliament a document that—

(a) explains the proposal and sets it out in the form of draft regulations,

(b) explains the reasons why the Secretary of State is satisfied in relation to the matters listed in section [Power to make provision about injunctions preventing access to locations on the internet](3)(a) to (c), and

(c) contains a summary of any representations made during the consultation under subsection (1).

(3) During the period of 60 days beginning with the day on which the document was laid under subsection (2) ("the 60-day period"), the Secretary of State may not lay before Parliament a draft statutory instrument containing regulations to give effect to the proposal (with or without modifications).

(4) In preparing draft regulations under section [Power to make provision about injunctions preventing access to locations on the internet] to give effect to the proposal, the Secretary of State must have regard to any of the following that are made with regard to the draft regulations during the 60-day period—

(a) any representations, and

(b) any recommendations of a committee of either House of Parliament charged with reporting on the draft regulations.

(5) When laying before Parliament a draft statutory instrument containing regulations to give effect to the proposal (with or without modifications), the Secretary of State must also lay a document that explains any changes made to the proposal contained in the document laid before Parliament under subsection (2).

(6) In calculating the 60-day period, no account is to be taken of any time during which Parliament is dissolved or prorogued or during which either House is adjourned for more than 4 days.'.—*(Mr. Timms.)*

Brought up, and added to the Bill.

Title

Amendment made: 10, line 2, leave out from 'copyright' to 'to' in line 3 and insert

'and about penalties for infringement of copyright and performers' rights'.—*(Mr. Timms.)*

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Bill, as amended in the Committee, considered.

Question put forthwith (Order, this day), That the Bill be now read the Third time.

The House divided: Ayes 189, Noes 47.

Division No. 132] **[11.3 pm**

AYES

Afriyie, Adam	Benton, Mr. Joe
Alexander, rh Mr. Douglas	Berry, Roger
Allen, Mr. Graham	Betts, Mr. Clive
Anderson, Mr. David	Blackman, Liz
Austin, Mr. Ian	Blizzard, Mr. Bob
Bailey, Mr. Adrian	Bradshaw, rh Mr. Ben
Bain, Mr. William	Brennan, Kevin
Baird, Vera	Brown, rh Mr. Nicholas
Barron, rh Mr. Kevin	Browne, rh Des
Battle, rh John	Bryant, Chris
Bayley, Hugh	Buck, Ms Karen
Beckett, rh Margaret	Butler, Ms Dawn

Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Creagh, Mary
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Fitzpatrick, Jim
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Hall, Mr. Mike
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Hayes, Mr. John
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hesford, Stephen
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Humble, Mrs. Joan
Hunt, Mr. Jeremy
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mann, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McKechin, Ann
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morden, Jessica
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Owen, Albert
Pearson, Ian
Pope, Mr. Greg
Prentice, Bridget
Primarolo, rh Dawn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Ruddock, Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Sutcliffe, Mr. Gerry
Tami, Mark
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Touhig, rh Mr. Don
Trickett, Jon
Ussher, Kitty
Vaizey, Mr. Edward
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Lyn Brown and
Kerry McCarthy

NOES

Abbott, Ms Diane
Amess, Mr. David
Barrett, John
Beith, rh Sir Alan
Breed, Mr. Colin
Burgon, Colin
Burstow, Mr. Paul
Carmichael, Mr. Alistair
Cash, Mr. William
Challen, Colin
Chope, Mr. Christopher
Corbyn, Jeremy
Davey, Mr. Edward
Davies, Mr. Dai
Davis, rh Mr. David
Dismore, Mr. Andrew
Drew, Mr. David
Fallon, Mr. Michael
Featherstone, Lynne
Foster, Mr. Don
Gerrard, Mr. Neil
Grogan, Mr. John
Hancock, Mr. Mike
Harris, Dr. Evan
Hoey, Kate
Howarth, David
Howarth, rh Mr. George
Hughes, Simon
Jones, Lynne
Joyce, Eric
Keetch, Mr. Paul
Kilfoyle, Mr. Peter
Lazarowicz, Mark
Love, Mr. Andrew
Marshall-Andrews, Mr. Robert
Mitchell, Mr. Austin
Öpik, Lembit
Paisley, rh Rev. Ian
Palmer, Dr. Nick
Price, Adam
Reed, Mr. Andy
Russell, Bob
Simpson, Alan
Thurso, John
Todd, Mr. Mark
Truswell, Mr. Paul
Watson, Mr. Tom

Tellers for the Noes:
John Hemming and
Mr. John Leech

Question accordingly agreed to.
Bill read the Third time and passed, with amendments.

PETITION

Christian Values

11.13 pm

Sir Alan Beith (Berwick-upon-Tweed) (LD): I have the privilege of presenting a petition on Christian values from listeners to Premier Christian Radio, which declares that 20,000 Christians have stated that they intend to vote in the forthcoming election in line with Christian values, and that the petitioners believe that "business as usual" has damaged the credibility of Parliament and is unacceptable. The petitioners therefore request that the House of Commons take all steps necessary to restore the credibility of Parliament. The petition, in the name of Mr. Peter Kerridge and Mr. Colin Baynes, is supported by many thousands of forms signed by Premier Christian Radio listeners. In presenting this challenge to both Parliament and candidates in all parties, I believe that the signatories are following the biblical prophetic tradition of calling on those in authority to promote righteousness and to overcome corruption and injustice. The petitioners

[Sir Alan Beith]

are citizens of a United Kingdom that I believe is at its best when it combines freedom of religion, for which our forefathers fought, with an acknowledgement of and respect for long-established Christian values—values that are widely shared and respected by people of other faiths and those of no faith. I am pleased to present this petition to the House.

Following is the full text of the petition:

[The Petition of Premier Christian Radio and others,

Declares that 20,000 Christians have stated, in a campaign organised by Premier Christian Radio, that they intend to vote in the forthcoming election in line with Christian values; and that the Petitioners believe that business as usual has damaged the credibility of Parliament and is unacceptable.

The Petitioners therefore request that the House of Commons take all steps necessary to restore the credibility of Parliament.

And the Petitioners remain, etc.]

[P000821]

Members of Parliament

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Blizzard.)*

11.15 pm

Mr. Mark Todd (South Derbyshire) (Lab): In my speech on the proposed reforms of House procedures, I referred to my disappointment that the Committee that sponsored those changes had not been asked to consider the role of MPs—and nor had it sought to be asked to do so. I then touched on my family experience—my grandfather was a Member in the 1930s—and my understanding of the traditionally understood role of an MP as defined by Edmund Burke, famously, if patronisingly, in his address to the electors of Bristol. I noted how far we had travelled from that model, and how little we had either consulted the public on those changes or discussed their broader impact. That is what I shall attempt to do this evening.

First, what are the understood functions of a Member? In Churchill's definition, published in the 1950s, the role was threefold, and in order of priority. I have edited it to remove the explicit sexism from his text. He said that the roles of a Member were: to exercise judgment in the interests of Great Britain; to act as a representative, but not a delegate, of his or her constituents; and to serve his or her party's interests.

The Select Committee on Modernisation's report on the role of Back-Bench Members, published in 2007, set out the following functions. Unlike Churchill's, they are not in priority order. They were: supporting their party in votes in Parliament; representing and furthering the interests of their constituency; representing individual constituents and taking up their problems and grievances; scrutinising and holding the Government to account and monitoring, stimulating and challenging the Executive; initiating, reviewing and amending legislation; and contributing to the development of policy, whether in the Chamber, Committees or party structures, and promoting public understanding of party policy.

An MP serving between 1935 and 1950 said that,

"before 1939, unless there was some controversy afoot, I rarely received more than twenty letters a week...But after the election of 1945, everything was changed...suddenly the MP ceased to be a politician and potential statesman and became an official of the welfare state. Thousands wanted houses; old people wanted pensions; ex-service men wanted jobs; everybody wanted something and 'write to your MP' became a cliché".

Patricia Hollis's excellent biography of Jennie Lee attributes her defeat in the 1970 election to infrequent visits, inattention to constituency business, and an unwillingness to attend constituency functions, which steadily undermined her vote in what appeared to be a relatively safe Labour constituency. The process of change in the expectations of MPs and in their performance was uneven.

Even in the early 1970s, one MP—I do not believe that he was from my party—could sketch his parliamentary activity thus:

"I hunt three days a week, always. Probably hunt four days a week. I don't get any letters anyhow. I only have a secretary part-time. I have one woman at home, who deals with Parliamentary letters on a Monday and that's it".

That quote also puts into context any suggestion of some golden age of disinterested service among tribunes of the people. We often hear favourable comparisons of

past times in Parliament with the performance of parliamentarians now, but I have always thought them to be fantasy. That sort of quotation bears out the fact that some of the what was going on at that time was pretty inactive in many senses and rather little aligned to the public good.

There have been a number of analyses of how a modern MP spends their time. A sample of the 2005 intake showed an average of 49 per cent. of MPs' time spent on constituency work, however that might be defined. In my own case, the proportion would certainly be greater than that. All recent analyses have shown constituency work to be by far the dominant part of the MP's job.

From the model set out by Churchill in the 1950s, going further back to my grandfather's time, as remembered by my father who recalls him as an MP at a time when the constituency workload was light and the quantity of correspondence was small, how has the change to the present situation come about? The first quotation that I gave hints at one reason—the burgeoning role of the state.

As the state extends its reach, the role of an MP is the most obvious contact point with the state apparatus, so it gets extended, too. Setting aside the merits of extensive state provision, there have been some unhealthy aspects of the relationship between MPs' casework and state services. I cannot be alone in having heard citizens report to me that public servants have told them to contact their MPs if they have complaints. Having noted the higher quality response service offered to MPs—on tax credits and Child Support Agency cases, for example—constituents are motivated to use an MP rather than the official complaints process, which must be extremely hard. MPs have almost assumed the role of self-interested—I shall come back to this—quality control in some services, removing the incentive to get services right first time.

The fall of Jennie Lee and the experience of Members in all but the safest seats hints at another reason for the change. Assiduous constituency service appears to be rewarded at the ballot box. With modern office systems, casework also provides databases of contact for future reference—potential building blocks of additional support in votes.

A third reason is the combination of modern technology and the use of constituency mail by campaigning groups. Postcards and e-mails urging MPs to sign early-day motions, write to Ministers and take other actions now proliferate, built on the knowledge—again taken from surveys—that MPs look hardest at material sent to them by constituents.

What have been the consequences of these changes? I have mentioned one already—the design of some state provision around the assumption of an MP advocacy role. We have MP helplines and MP correspondence units, specifically to deal with the assumed level of complaints that MPs will have to handle from their constituents.

Secondly, unless MPs are very discriminating indeed—I shall explain why that is hard to be—they intrude on the competences of other representatives. Concerns about planning, housing, education and many other services offered by local councils really lie within the responsibility of a councillor. Many electors, however, feel that contacting an MP—"going to the top", as has been said to me on many occasions—is more effective and that if I should pass a matter to a councillor, I am "passing the buck" on the complaint that has been raised. I see you nodding, Madam Deputy Speaker, as I say this, and I would be surprised if most constituency MPs had not had similar experiences.

In addition, local political competition may dissuade MPs from passing casework to a councillor from an opposing party. As I have said, simply building on the database of contacts one has from electors on whatever subject provides a strong incentive to pursue a complaint, whether it is relevant to the responsibilities of an MP or not.

We may also find that Members of Parliament are ill equipped for such purposes. I am not a lawyer, yet I regularly receive queries in regard to which some legal knowledge is at least desirable. I am not a financial adviser, yet I have often received queries about pensions. I am not a benefits specialist, yet I frequently receive queries about benefit entitlement. If the compass of an MP's role is so wide, MPs need appropriate resources in order to address at least the common concerns. Given the scale of their casework—in a typical year, I deal with well over 2,000 new cases—offering a quality service is a challenge. I emphasise the word "quality", because I am not talking about a simple acknowledgement or routine correspondence. Adding genuine value by saying something of substance is quite difficult.

It seems certain that the increase in constituency work, willingly undertaken by Members, will compress the attention given to their other functions. Critical parts of the role of the House of Commons are already poorly fulfilled. For instance, the scrutiny of huge volumes of European legislation is manfully tackled by a very small resource. It is arguable that the House transferred detailed scrutiny of legislation to the House of Lords far too readily, and the Finance Bill—with which I have dealt in the House on several occasions—suffers particularly when that cover from the Lords is unavailable. While Select Committee work remains a largely quality process of scrutiny and policy contribution, much of Question Time on the Floor of the House is a formulaic mix of partisan work and constituency name-checking.

I have always regarded constituency work as both a good in itself, providing a service that is clearly demanded, and a resource. There is not a complete division between a Member's constituency role and his or her parliamentary work. I regularly say that if I do not learn something new through my constituency correspondence almost every day, I cannot be doing my job. The sheer variety of subjects raised forces one to learn., and it often prompts parliamentary activity.

I have also always regarded correspondence that I receive as personal. If someone takes the trouble to write to me, at the very least I should look at the letter and give some direction on the response, if I cannot reply myself. Until recently, I replied to most letters personally, and that personal link remains an important anchor in the job, connecting Members to local realities and broadening their knowledge.

You will sense, Madam Deputy Speaker, that I am not suggesting that the shift in emphasis is wrong. It serves a need, and it delivers a wider value. However, it has taken place silently, gradually and patchily, without strategy and without any genuine engagement with

[Mr. Mark Todd]

citizens on what they want from MPs. Results of surveys suggest that about half of them believe that MPs should represent the views of local people, but do they mean that in the sense in which Burke tried to define the relationship? I rather think not. And how is it possible to determine what those views really are? They are, of course, diverse, and it is difficult to weigh them against each other in terms of volume and quality.

Nearly the same proportion of citizens suggest that an MP should represent a national interest. Setting aside how that might be defined, we must ask whether there is a conflict between the two goals, the serving of local interests and local concerns and the national interest. In some circumstances, there is.

I hope that when the House reassembles after the election, it will seek to establish the purposes of an MP through a process of public engagement. Once we have that foundation, we can better define the resources that are required, the procedures and business balance of this place, the skills that are desirable, the relationship with the other parts of our country's governance, and even, I have to say—because it forms part of the programme of one party at the election—the broad number of MPs that there should be. To cut the number without any intellectual apparatus relating to justification of the role of an MP is frankly lazy and facile.

11.29 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Barbara Follett): I congratulate my hon. Friend the Member for South Derbyshire (Mr. Todd) on securing this debate, which will be one of the last of this Parliament. It will be the last time that we three shall stand here together, Madam Deputy Speaker. Like you and I, my hon. Friend came into this place in 1997, and in the next few days we shall all leave it.

My hon. Friend has been a committed and assiduous Member of Parliament since his arrival here 13 years ago. I know, from many long nights in this place talking to him, how passionately hard he has worked for his constituents. During his time here he has held a number of posts, including Parliamentary Private Secretary to Baroness Symons when she was Deputy Leader of the Lords and when she was in the Foreign Office and the Department of Trade and Industry. He has also served on a number of Select Committees and is currently a member of the Treasury Committee.

Tonight my hon. Friend has spoken thoughtfully, knowledgeably and, occasionally, amusingly about the changing role of a Member of Parliament in the 21st century. As he so rightly emphasised, this is a growing role and one that is increasingly scrutinised by organisations such as TheyWorkForYou.com, which is mainly based on the internet. They scrutinise aspects of the role that not everyone would consider to be as important as they do.

I agree with my hon. Friend that establishing the purposes of an MP and then deciding the resources, procedure and business balance would be enormously helpful. I well remember my first few days in this place and how overwhelming the role suddenly seemed. As he said, the role broadly has three different responsibilities: holding the Executive to account through membership of Select Committees and through questions; participating in deliberation on legislation; and representing constituents in Parliament. As he so rightly emphasised, the latter has become far and away the larger part of one's job.

Hon. Members will know that my husband is a writer. He has recently been writing about Members of Parliament in the 1920s and has been constantly interrupting my work and his to tell me how little they did. He described how many books they managed to read, how much hunting they managed to do and how much time they managed to spend with their families. Things have changed from the days when Members of Parliament would visit their constituencies only once a year and be greeted at the station with flags and celebrations by their constituents. Members now live in their constituencies; most of us spend the majority of our week and of our summer in them. We live in our constituencies because we want to know those constituencies so that we can better represent them. That is a good development, but it also means that the balance of our work here has changed. I passionately believe that the work of a Member of Parliament is extremely important and that before we make decisions about the number of people we have in this place and the way we work, we need to discuss it in a way that we have so far failed to do. The Government have taken the role of the Member of Parliament seriously and the Modernisation Committee has considered some aspects of it, but it has never held an investigation into that specific subject.

The work of Members of Parliament has been the subject of much public attention during the past year. That can only increase in the run-up to the general election. One of the things that the Modernisation Committee has done—it did it when I was a member—has been to engage the public more in the work of the House. The launch of the new website last year improved public accessibility to information about the functions of MPs and Parliament. As my hon. Friend rightly said, those functions are not clear and not everyone does the same thing, so there is no real yardstick against which people can measure the work of their Member of Parliament compared with that of others.

The Select Committee on Reform of the House of Commons' recent report recommended ways in which Parliament could better interact with the public. The Government accepted these recommendations and are committed to engaging the public in the work of Parliament. On 22 February, the House agreed that consideration should be given to a new system whereby petitions from the public could trigger a debate in the House. The House also agreed that during the next Parliament there would be a trial of debates on petitions in Westminster Hall.

Members play the crucial role of holding Ministers to account over their proposals to amend or make law. The close and detailed scrutiny of Bills and delegated legislation is invaluable. As my hon. Friend rightly said, the volume of this legislation—in particular the legislation coming in from Europe—needs to be considered. We do not need to be overwhelmed by it, but we must ensure that we have both the time and the resources to cope with it.

The introduction of pre-legislative scrutiny has also added to work loads. However, it has made a lot of legislation a great deal better and I welcome it. I welcome

the fact that four out of five draft Bills that received pre-legislative scrutiny in the 2008-09 Session were introduced.

There are also private Members' Bills, which in some cases allow Members to bring their own policies into law. I know that my hon. Friend has had success with his own private Member's Bill, which became the Co-operatives and Community Benefit Societies Act 2003. That Act has protected charities, housing associations and clubs from asset strippers and it is something of which both this House and he should be proud.

Members of Parliament are also responsible for holding the Prime Minister and his Cabinet colleagues to account. That is done daily through written and oral parliamentary questions. As a Minister, I know how important they are in my work load and how much time and thought go into their setting and their answering. The same is true of the departmental Select Committees.

Over the past 13 years, the increasing work load and increasing number of subjects to be discussed has led to the establishment of Westminster Hall as a parallel Chamber. That has given hon. Members more opportunities to raise and debate issues of regional significance. The appointment of Regional Ministers—I have the honour of being the Minister for the East of England—and of Regional Select Committees has certainly added to the Government's accountability across the United Kingdom and brought the regions, Whitehall and Westminster closer together.

Given all that has been said tonight, the theory and practice of the role of Members of Parliament has grown. In the past 13 years, my hon. Friend has been exemplary in his service to the House and to his constituents. I know that, as we leave this House, many of us are thinking of ways it could have been made better in those 13 years. I personally regret that we did not manage to address the hours of the House sufficiently to make it an attractive place for younger people with families and other commitments. I hope that that will be considered in future, alongside the role of MPs, because in order to do his or her job well, an MP must, by necessity, have a well-rounded family and personal life.

It has been a privilege to serve alongside my hon. Friend, and with you, Madam Deputy Speaker. I wish you well in the future, and, on behalf of the Government, I thank my hon. Friend for his work.

Question put and agreed to.

11.41 pm

House adjourned.

Deferred Division

CHILDREN AND YOUNG PERSONS

That the draft Children Act 2004 Information Database (England) (Amendment) Regulations 2010, which were laid before this House on 28 January, be approved.

The House divided: Ayes 259, Noes 152.

Division No. 127]

AYES

Abbott, Ms Diane
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffiths, Nigel
Grogan, Mr. John
Hall, Mr. Mike
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McKechin, Ann
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Mitchell, Mr. Austin
Mole, Chris
Morden, Jessica
Mountford, Kali
Mudie, Mr. George
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Roy, Lindsay
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Blunt, Mr. Crispin
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Djanogly, Mr. Jonathan
Donaldson, rh Mr. Jeffrey M.
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Evennett, Mr. David
Fabricant, Michael
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Goodwill, Mr. Robert
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Hemming, John
Herbert, Nick
Hoban, Mr. Mark
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howell, John
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Leech, Mr. John
Lewis, Dr. Julian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Malins, Mr. Humfrey
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Murrison, Dr. Andrew
Nell, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Pelling, Mr. Andrew
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robinson, rh Mr. Peter
Russell, Bob
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Swayne, Mr. Desmond
Swire, Mr. Hugo
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Willis, Mr. Phil
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Question accordingly agreed to.

STRATEGY ON JOBS AND GROWTH

That this House takes note of European Union Documents No. 7110/10, Commission Communication on Europe 2020—a strategy for smart, sustainable and inclusive growth, No. 6018/10, Commission staff working document on Europe 2020—public consultation—first overview of responses, and No. 6037/10, Commission staff working document—Lisbon Strategy evaluation document; and supports the Government's approach to promoting an EU strategy focused on delivering strong, sustainable and balanced growth.

The House divided: Ayes 254, Noes 158.

Division No. 128]

AYES

Abbott, Ms Diane
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
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Mudie, Mr. George
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
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Russell, Christine
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Thomberry, Emily
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Twigg, Derek
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Ward, Claire
Wareing, Mr. Robert N.
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Blunt, Mr. Crispin
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
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Burstow, Mr. Paul
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Campbell, rh Sir Menzies
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Davey, Mr. Edward
Davies, Mr. Dai
Djanogly, Mr. Jonathan
Donaldson, rh Mr. Jeffrey M.
Drew, Mr. David
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Evennett, Mr. David
Fabricant, Michael
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Foster, Mr. Don
Fox, Dr. Liam
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Goodwill, Mr. Robert
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Hemming, John
Herbert, Nick
Hoban, Mr. Mark
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howell, John
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Leech, Mr. John
Leigh, Mr. Edward
Lewis, Dr. Julian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Malins, Mr. Humfrey
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Pelling, Mr. Andrew
Randall, Mr. John

Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robinson, rh Mr. Peter
Russell, Bob
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Skinner, Mr. Dennis
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Swayne, Mr. Desmond
Swire, Mr. Hugo
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Willis, Mr. Phil
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Question accordingly agreed to.

House of Commons

Thursday 8 April 2010

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

ENERGY AND CLIMATE CHANGE

The Secretary of State was asked—

Housing (Energy Efficiency)

1. **Mr. Andrew Pelling** (Croydon, Central) (Ind): What recent steps his Department has taken to improve the energy efficiency of housing; and if he will make a statement. [325604]

The Secretary of State for Energy and Climate Change (Edward Miliband): Since 2002, the carbon emission reduction target has helped fund over 7 million insulation measures. We recently published a household energy management strategy for pay-as-you-save insulation, devolution of powers over energy efficiency to local authorities and new standards of regulation in the social and private rented sector that together will help reduce emissions from households by 29 per cent. by 2020.

Mr. Pelling: Such a Government initiative has been of great benefit to New Addington in Croydon, a significant social housing estate that was excellent for the 1950s in terms of space and good design. What can be done to support the initiative of local people who want the area to become an eco-town? What prospects are there?

Edward Miliband: The hon. Gentleman raises an important issue. My right hon. Friend the Minister for Housing recently announced the first wave of eco-towns and funding under that. We want to do more on this. There is great enthusiasm in local areas for this to happen, including in the hon. Gentleman's constituency. I hope that we can take this forward.

Mr. Speaker: Mr. Greg Barker. *[Interruption.]* The hon. Gentleman had indicated that he wanted to come in on this question.

Gregory Barker (Bexhill and Battle) (Con): I had not expected to, Mr. Speaker. I apologise for my inattention, as I had been expecting to intervene on Question 2. However, at your direction, I shall intervene on Question 1 because what I want to say is still apposite.

After 13 years of Labour government, we still have the most energy-inefficient homes in Europe and many, many millions more homes require action. Will the Government now embrace our green deal, namely £6,500 of energy-efficiency improvements for every home? Or, given that B&Q, Marks and Spencer, Tesco and leading energy companies have all embraced our approach, is this another issue where Labour is at war with business?

Edward Miliband: I had expected a music hall atmosphere this morning and the hon. Gentleman did not disappoint. As we can see from the general election campaign, the difference between us and the Conservative party is that we published earlier this month clearly worked-out and costed plans on pay-as-you-save insulation, on regulating private sector landlords to improve energy efficiency and on local authorities. The Conservatives talk about the £6,500, but as with so many other things from them, they have no idea where the money is coming from.

Andrew Miller (Ellesmere Port and Neston) (Lab): Can I tell companies such as EA Technology and Energetix in the Capenhurst area that the work they are doing on energy-saving measures, load balancing and novel technology solutions will be supported by the next Labour Government? Will my right hon. Friend commit to working with the Science Minister to ensure that the good work of such companies is brought into production in the UK by UK companies by the next Labour Government?

Edward Miliband: Yes, I can give that assurance. I thank my hon. Friend for his championing of these issues. Over the past 18 months or two years, we have seen an increasing understanding of the reality of the connection between tackling climate change and green jobs in this country. We have seen that with announcements on the offshore wind industry, electric cars and a whole host of other matters. He is right that Government support for private sector business is essential in this area.

Fuel Poverty

2. **Michael Fabricant** (Lichfield) (Con): When he expects figures to be available on the level of fuel poverty in the UK in 2008; and if he will make a statement. [325605]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): The 2008 fuel poverty statistics report will be published on 14 October 2010. This will contain the 2008 fuel poverty numbers for England and the UK. Final figures can be produced only after analysis of the detailed housing survey results. However, to address this lag, we published projected levels of fuel poverty for 2008 and 2009 in England in the most recent annual report on fuel poverty statistics.

Michael Fabricant: The Government's own prediction, which the Minister mentioned, said that one in four homes will now be in fuel poverty. Given that domestic fuel prices have risen 80 per cent. since 2004, is it not time for a public inquiry into the discrepancy between wholesale and retail fuel prices?

Mr. Kidney: The hon. Gentleman, who is my near neighbour in Staffordshire, is right that there were sustained price rises between 2004 and 2008 that have increased fuel poverty. That is a matter of concern to all hon. Members. We are adapting our policies to cope with that, not least, I hope, by obtaining the House's final approval tonight for the Energy Bill, which will allow us to introduce social price support for the poorest households. What is not necessary is what I think the hon. Gentleman is talking about: referral of the whole energy market to the Competition Commission. This is a time when we need sustained investment in the future of our infrastructure, and that would only delay it.

Mr. Jim Devine (Livingston) (Lab): As my hon. Friend knows, there are over 100 years of coal underground. Should we not look at a strategy for extracting that coal? That would make a major contribution to the eradication of fuel poverty.

Mr. Kidney: I am sure it is right that a diverse energy supply will help us to keep control of energy prices, and clean fossil fuels such as coal will assist in that. That is why we are world leaders with our levy for supporting four commercial demonstration models of carbon capture and storage.

Mr. John Baron (Billericay) (Con): Given the customer confusion caused by more than 4,000 different tariffs, will the Minister congratulate Scottish and Southern Energy on putting its cheapest tariff information on all its energy bills—going beyond the Government's wish of annual statements—and will he encourage other energy companies to follow suit?

Mr. Kidney: In recent months I have seen good examples of energy companies trying to improve the clarity of their bill—plain English, the way the bills are set out and the information that they give. I applaud the example that the hon. Gentleman gives and encourage other energy companies to do the same. I would like to be returned to Government, in this Department, to do more on this subject after 6 May.

Mr. Mark Todd (South Derbyshire) (Lab): One of the best means of reducing fuel poverty is tough regulation of the energy marketplace. Has the Minister read with the same concern as I had the report by Consumer Focus into the performance of Ofgem in regulating npower's price-sculpting mechanism and assure me that a future Government will take a more robust approach to the rather flaccid efforts of this regulator?

Mr. Kidney: Again, I hope that later today the House will approve the Energy Bill, which contains measures to strengthen the powers of Ofgem and sharpen its act in terms of being more proactive in its support for consumers. I would love to be back in the next Parliament, taking action to ensure that Ofgem does its job properly.

Housing (Energy Efficiency)

3. **Sir Alan Beith** (Berwick-upon-Tweed) (LD): What mechanisms he has put in place to increase the level of energy efficiency in rural homes classified as hard-to-treat. [325606]

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): The carbon emissions reduction target—CERT—obligates energy companies to install a variety of household energy efficiency measures, including those suitable for hard-to-treat homes. CERT is delivered throughout Great Britain including in rural areas.

Additionally, Warm Front fits energy-efficient measures in vulnerable households. Any rural household could be eligible for Warm Front assistance as long as the applicant is the home owner or tenant in the private sector, and is in receipt of a qualifying benefit.

Sir Alan Beith: Is the Minister aware that in areas such as Northumberland many of the poorest people live in stone-built properties with no cavity wall, no gas supply, no dual fuel tariff, dependence on bottled gas or solid fuel, and often difficulty in getting access to warm home schemes? Does she recognise that further targeted steps are needed and perhaps an easing of the rules to ensure that some of the people most in fuel poverty in rural areas are helped?

Joan Ruddock: I acknowledge every point that the right hon. Gentleman has made, and we have been working on every aspect of those problems. Ofgem is encouraging connection to the gas grid, where that is possible and economic—with support, of course. In January this year it announced that all four gas networks will be linked in partnerships to enable new connections to be made, and we expect that up to 20,000 new households will be connected to the gas grid under that scheme. In a year's time we shall have the renewable heat incentive, which will benefit particularly those who wish to switch from liquefied petroleum gas and other expensive fuels. We also have CERT, which is increasingly being incentivised to cope with hard-to-treat homes and solid wall insulation. Over 56,000 homes have already been insulated, so there is some progress.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): I once lived in a 17th century stone cottage in a rural area, so I know how difficult it is to take those measures—[*Interruption.*] Hon. Members seem to be amused by the fact that I lived in a stone cottage. The Government have done such good things in terms of Warm Zone and Warm Front, and the Minister knows of the proud record of Kirklees and Huddersfield. Is it not about time that a useless organisation—the National House-Building Council, which, as every lawyer will tell you, issues certificates that are not worth the paper they are written on—stopped allowing any building that does not conform to a high level of sustainability?

Joan Ruddock: My hon. Friend knows that we have made huge progress in increasing building regulation demands, not only for new build, which will be carbon-neutral by 2016, but for retrofitting of existing homes. There is already a huge Government undertaking on this subject. I shall not comment on the organisation named by my hon. Friend, but I intend to look into it when I return to this job.

Electricity Demand/Capacity

4. **Peter Luff** (Mid-Worcestershire) (Con): What assessment he has made of the balance of generating capacity and likely demand for electricity in the UK in the next 10 years; and if he will make a statement. [325607]

The Secretary of State for Energy and Climate Change (Edward Miliband): We are confident that we will meet demand for electricity over the next decade. About 18 GW of plant is due to close by 2020, but already 20 GW is either under construction or has planning consent. The most recent analysis in the "Energy Markets Outlook" in December 2009 suggested that the electricity capacity margin remains above 10 per cent. for the whole of the next decade.

Peter Luff: I hope that the Secretary of State's optimism is well founded. Does he understand that when the obituary of this Government is written in a few weeks' time, one of the most critical passages will relate to the 2003 energy White Paper and those seven fateful words—

"We do not...propose...new nuclear build"—

words that undermined our nation's nuclear skills base and which cost us vital years in the fight to avoid severe power shortages in the next decade. I genuinely fear that there will be such shortages.

Edward Miliband: The interesting thing is that three or four years later the Leader of the Opposition was saying that nuclear should remain a last resort. It is this Government who led the debate on nuclear power. I have great respect for the hon. Gentleman, but I have to tell him that we need all forms of low-carbon energy, including renewable power. He brought before the House an exclusion zone proposal on wind farms—a proposal with which I disagree. Let us have low-carbon energy; that is what we are driving towards with planning reform, nuclear power and renewables.

Mr. David Anderson (Blaydon) (Lab): In the past two weeks we have seen the true cost of trying to run the world on cheap coal, with 150 Chinese miners trapped underground in a country where 6,000 miners die every year, and 25 miners killed in West Virginia—employees of a serial violator of mine legislation. Will the Government take on the role of leading the international debate on the ethics of putting miners' safety before profits?

Edward Miliband: My hon. Friend raises an important issue, which I have discussed with him. It is right that we take up these issues through organisations such as the International Labour Organisation and other international bodies and I have said to him that we will do so.

Simon Hughes (North Southwark and Bermondsey) (LD): At the end of term, I pay tribute to the Secretary of State and his team for their energy and commitment. Do they realise that they would be wise as well as energetic if they gave up the new deception they now share with the Conservative party that nuclear power is what we need to have a safe, clean and secure energy future? Why is his party, like the Tories, willing to put the health, wealth and personal security of the people of Britain at such great risk in the future?

Edward Miliband: I thank the hon. Gentleman for the first part of his question, but I profoundly disagree with the second part of his question. When we look at the scale of the task in terms of low-carbon energy, we have very ambitious targets on renewables—approximately a sixfold increase in renewable energy by 2020—and nuclear must be part of the energy mix. We need to move on all fronts—nuclear, renewables and clean coal—because the scale of the challenge of cutting carbon emissions by 80 per cent. by 2050 is so enormous that we need every form of low-carbon energy.

Andrew Mackinlay (Thurrock) (Lab): Are we looking at the Thames estuary, eastwards of Thurrock, for tidal power generation comparable to the wonderful innovative scheme in operation at Strangford lough in Northern Ireland? Would the Minister care to join me in my retirement at Strangford lough, where I can show him this wonderful technology?

Edward Miliband: Let me take the opportunity to pay tribute to my hon. Friend. The House will sorely miss his character and the passionate way in which he took forward a whole range of issues.

We need tidal power in this country, and it can play an important role. I look forward to joining him after the election—I hope in my current post—with the newly elected Labour Member of Parliament for his constituency, to see what tidal power can do.

Greg Clark (Tunbridge Wells) (Con): Whatever the future holds for us all, we have much enjoyed our exchanges with the right hon. Gentleman and his hon. Friends across the Dispatch Box, but it is not over yet. Eight weeks ago, the energy regulator said:

"In 2017 we get to the really sweaty-palm moment in terms of possible shortages...It is the scale of collapse...that is profound and worrying."

Is the energy regulator another of those who have been deceived?

Edward Miliband: Let me start by saying that I have also enjoyed our exchanges. The hon. Gentleman shadowed me when I was the Minister for the Third Sector and since then when I have been Secretary of State for Energy and Climate change. I look forward to him continuing to shadow me in his present post after the general election.

The energy regulator put forward a series of projections based on modelling in the Project Discovery document to which the hon. Gentleman referred. The difference is that what I read out are actual plans that are being taken forward for 20 GW of new power. I am confident about security of supply, but the big question for Britain is whether it should be low-carbon or high-carbon security of supply. That is why it is so important that we move forward on nuclear and indeed renewables, on which the Conservative party has a bad record locally.

Greg Clark: Of course, it is not just the regulator. The Government's own chief scientist told the BBC that there is a worry that in 2016 there might not be enough electricity. In 13 years, we have had 11 Energy Ministers, from the right hon. Member for Neath (Mr. Hain) to Lord Truscott, eight Secretaries of State in charge of energy from the right hon. Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown) to Lord Mandelson, five energy White Papers, and more than 100 consultations. Is it despite all that or because of it that the Government officially expect blackouts during the decade ahead?

Edward Miliband: I feel like I am hearing the hon. Gentleman's greatest hits this morning, but they are not that great. We are not predicting what he said would happen in 2017, and he knows from the "Energy Markets Outlook" that that is not so. The truth is that we have moved forward in a whole range of areas to provide the power that the country will need in the coming decade, but I return to the point that the big question is whether we take the difficult decisions on, for example, planning. We finally have a planning system in this country that business supports, but the Conservative party says that if it got into government it would overturn it on day one. That will not help the low-carbon transition in this country.

Ministerial Meetings

5. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When he next expects to meet local authorities in East Anglia to discuss renewable energy initiatives in that area. [325608]

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): The hon. Gentleman will understand that I have no plans to meet local authorities in East Anglia at this time, but meetings continue at official level as appropriate.

Mr. Bellingham: Have the Government set renewable energy generation targets for counties? Is the Minister aware that Norfolk has many offshore wind turbines both in place and planned for the future? Will that offshore energy be part of the renewable target for coastal shire counties?

Joan Ruddock: What I can tell the hon. Gentleman is that the Department has developed and published a methodology to help regional authorities to assess potential renewable and low-carbon energy in their areas. He is on record as having many objections to onshore wind energy, and arguing that offshore wind is preferable. The Government believe that we need both onshore and offshore wind energy. There is no question but that onshore wind is the most proven and most reliable of our renewable technologies, and we cannot set it aside, although we are developing offshore wind energy for which, as he knows, we are the leading country in the world. Offshore wind energy is two or three times more expensive than onshore wind, depending on location, which is why there is no question about it—we must have a mix.

Charles Hendry (Wealden) (Con): Over a year ago, we called for the setting up of marine renewable energy parks to help make Britain the world leader in development of wave and tidal power. As the tide finally goes out on the Government and we wave them goodbye, does the Minister accept that she could and should have done more to bring together local authorities in East Anglia and other coastal areas to highlight the UK's huge potential in those crucial technologies, and to ensure that the investment in green jobs that they can bring comes to Britain instead of, again, going to other countries?

Joan Ruddock: The hon. Gentleman knows perfectly well that the Government have made great strides in developing marine technology. In the south-west, we already have a wave hub, to which we have made £60 million available. We have made it clear that, although it is not an immediate technology, which can be deployed at this moment, as wind can—the hon. Gentleman needs to get his party's position on wind straight—*[Interruption.]* Yes, objection? There is a 60 per cent. refusal rate. We are working on marine technology, we are giving money, and we are developing the strategy, which will follow on naturally from all the other investment in renewables that the Government are making.

Electricity Demand/Capacity

6. **Richard Ottaway** (Croydon, South) (Con): What estimate he has made of the change in demand for electricity by 2025. [325609]

The Secretary of State for Energy and Climate Change (Edward Miliband): Peak demand for electricity is expected to be broadly the same in 2025 as now, but we need to replace high-carbon sources of energy generation with low-carbon sources, including renewables and nuclear. To make this happen, we have reformed the planning system and are proposing reform of the electricity market, as set out in the energy market assessment published at the Budget.

Richard Ottaway: Those may be the Secretary of State's figures, but will he accept that just about every independent expert predicts a growth in demand of approximately 2 per cent. per annum? If one takes the growth in green energy in the past 13 years and projects it forward, it will not even keep up with the growth in demand. Coupled with that, I strongly suspect that his figures do not take into account the increased use of electric cars. Will he not, even at this late hour, admit that he has not planned for enough generating capacity in this country for the years to come?

Edward Miliband: No, I will not admit that. I do not know whether I am maligning the hon. Gentleman unfairly by saying that he is one of the wind power refuseniks on the Opposition Benches—

Richard Ottaway: I am not.

Edward Miliband: If the hon. Gentleman is not, that is very good. He should persuade the other people in his party because we need onshore and offshore wind and all those things to move forward. He is right that we need to up the pace—that is why we are reforming planning, for example. The worst thing that could happen for low-carbon transition in this country is a Government who came in and reversed all those planning reforms and slowed things down again. We need to speed up, and we will under this Government.

Renewable Heat Incentive

7. **Dr. Alan Whitehead** (Southampton, Test) (Lab): What progress he has made on the introduction of the renewable heat incentive. [325611]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): The renewable heat incentive is the first of its kind in the world and is on track to be introduced on 1 April 2011.

The Government launched their consultation on the proposed renewable heat incentive on 1 February. In the consultation document, we set out our proposals for the scheme and we are now seeking views from stakeholders. The consultation on the draft proposals closes on 26 April. We will continue to develop our proposals following the feedback and comments that we receive.

Dr. Whitehead: I thank my hon. Friend for that answer and look forward to the introduction of the renewable heat incentive from these Benches and to his announcing the day of implementation.

The consultation document states that an announcement on the funding of the renewable heat incentive will be made in the Budget. The announcement in the Budget was of a further review. Does my hon. Friend anticipate the results of that review arriving fairly shortly, and will

he give me an assurance that that will not impact in any way on the date of introducing the renewable heat incentive?

Mr. Kidney: My hon. Friend speaks with great authority on the subject, and I am grateful for his support for the policy. It is true that the Treasury statement at the time of the Budget was modest, but it confirmed that the scheme is still on track to begin on 1 April—I think that is the reassurance that my hon. Friend seeks.

Mr. Michael Jack (Fylde) (Con): Do the Government have any plans to assist the installation of renewable heat facilities in existing commercial buildings?

Mr. Kidney: The intention is that we will support and encourage the deployment of renewable heat technologies of every scale and in every sector, so, yes, that includes businesses.

Carbon Capture and Storage

8. **Jeff Ennis** (Barnsley, East and Mexborough) (Lab): What progress has been made in the establishment of a carbon capture and storage demonstration plant in South Yorkshire. [325612]

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): The European Commission and Powerfuels Power Ltd have signed a contract awarding a grant of €180 million from the European energy programme for recovery for the first phase of the Hatfield integrated gasification combined cycle—IGCC—and carbon capture and storage project.

The Government have announced that the Yorkshire and Humber region will be the first low-carbon economic area for CCS with the aim of facilitating investment in CCS and promoting business opportunities in the region.

Jeff Ennis: I thank the Minister for that very positive reply. The development of coal power stations with equipment to provide CCS is essential to the future of this country. Does my hon. Friend agree that, with its rich heritage in heavy engineering and innovation, South Yorkshire is well placed to lead the world in the development of CCS?

Joan Ruddock: As I understand that my hon. Friend is standing down, may I first pay tribute to all the work he has done in the House, particularly on behalf of his communities and in the interests of miners? He is, of course, absolutely right that his area has historically been very dependent on mining industries, and it has a great future as there are so many skills and technology capabilities that can make it a world-leading centre for the very impressive carbon capture and storage technology, which is being pioneered in this country with Government support, and for which, if we pass the Energy Bill this afternoon, there will be a financial support system that will be the very best in the world.

Climate Change Conference (Cancun)

9. **Mr. William Bain** (Glasgow, North-East) (Lab): What discussions he has had with his EU counterparts on objectives for the UN climate change conference in Cancun. [325613]

The Secretary of State for Energy and Climate Change (Edward Miliband): I have frequent discussions with my EU counterparts, including with the Spanish presidency this week, and we recently published our post-Copenhagen prospectus, which sets out our strategy for Cancun and beyond. The most important thing the world needs to do is to forge the comprehensive legal framework that eluded us at Copenhagen.

Mr. Bain: I thank my right hon. Friend for that reply. I encourage him in his continuing efforts to secure the binding agreements that will implement the Copenhagen accord. Does he agree that it would be an important show of good faith from the developed world if it was to indicate that it would be willing to extend its commitments under the Kyoto treaty beyond the initial 2012 deadline?

Edward Miliband: My hon. Friend makes an important point. That was a big point of contention at the Copenhagen talks, and we said in our post-Copenhagen document that we would enter into a second commitment period under Kyoto, provided that there was an acceptable legal framework alongside the Kyoto proposals. That is an important signal to developing countries who are reluctant to enter into a legal treaty and who are worried about the developed world's commitment to Kyoto.

Simon Hughes (North Southwark and Bermondsey) (LD): I presume that the Secretary of State or one of his Ministers will go to the meeting on climate issues in Bonn in the first week of May. If they do go, will they take the message that it is vital that we now have a 30 per cent. European emissions target and not a 20 per cent. target, and that we have a new structure at the United Nations—a climate security council or some such body that can ensure that there is momentum? Further, does he agree that in the election between now and then the British public would be very foolish to vote for any candidates who do not accept the overwhelming nature of the science showing that we have the worst climate crisis that anybody has ever known?

Edward Miliband: The hon. Gentleman raises an important point. We do want to move to the 30 per cent. target for Europe as part of an ambitious global deal. I also agree with his remarks about the UN, and there is an opportunity to upgrade the UN post in charge of the UN framework convention on climate change. As for the hon. Gentleman's other point, I was shocked to read in the *Financial Times* that only a handful of the 206 Conservative candidates who were contacted accepted the unequivocal reality of man-made climate change. That shows the stakes in respect of climate change at this election.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): In congratulating my right hon. Friend and the Government on having led the world in combating climate change, may I ask what action he will be seeking in Bonn and Cancun and what action he will be taking in this country to ensure that at least 15 per cent. of all energy comes from renewable sources by 2020?

Edward Miliband: My right hon. Friend is completely right about these issues, and about the importance of showing that we here at home are moving forward as

part of getting the ambitious global deal that we need. That commitment to the 15 per cent. renewable energy target is very important. It is also important that we transmit the learning here to other countries so that they can move forward. This is therefore about UK and European commitment as part of an ambitious global deal.

Greg Clark (Tunbridge Wells) (Con): If we want to lead the world, we need policy, not just targets. Had it not been for Conservative leadership on the environment during this Parliament, Britain would have no feed-in tariffs, no renewable heat incentive, no ban on new unabated coal, no roll-out of smart meters and no Climate Change Act 2008. On every measure, Labour first opposed us and then adopted our policy. So will the Secretary of State say, "Thank you" to the Conservative party for achieving more in Opposition in five years than Labour's 19 Ministers did in 13 years of dithering in office?

Christopher Fraser (South-West Norfolk) (Con): Say it!

Edward Miliband: I will not say, "Thank you." The reality of the Conservative party's record in this Parliament on climate change is that it began with the stunt with the huskies, initiated by the hon. Member for Bexhill and Battle (Gregory Barker), and it ends with the Leader of the Opposition saying, "Here are 10 reasons to vote Conservative," and not one of them is about climate change. We find out that Conservative candidates have not changed; they do not believe in man-made climate change. So the truth is that we have a whole range of stunts but an unchanged Conservative party, on this issue and every other issue at this general election.

Greg Clark *rose—*

Mr. Speaker: Order. I fear that the shadow Secretary of State was seeking to divert the Secretary of State from the path of virtue, which involves focusing on the Government's policies, as the right hon. Gentleman knows.

Greg Clark: The trouble is that the Secretary of State is auditioning for the role of Leader of the Opposition, and we wish him very well in that effort.

The right hon. Gentleman's most significant achievement is a mastery of the cut-and-paste function on Conservative policy, so will his manifesto match ours in establishing a floor price for carbon, a green deal for every home in the country, an offshore electricity grid, a network of marine energy parks, a security guarantee in the electricity market, a smart meter in homes by 2016 and no third runway at Heathrow? The Energy Networks Association has called that package

"the most comprehensive energy policy ever produced by an opposition."

Edward Miliband: The hon. Gentleman has clearly learned nothing during his time as shadow Secretary of State. A list of policies does not make a strategy, and image does not make substance. That is the truth about the Conservative party. Why would the Conservatives put the green transition in this country at risk? For example, they oppose renewables the length and breadth of this country. They oppose the progress that is being made. The difference between the Labour party, and the Labour Government, and the Conservative party is that we have conviction about tackling climate change while it is all about image and detoxifying the brand.

Feeder Tariffs

10. **Mr. Peter Lilley** (Hitchin and Harpenden) (Con): What assessment he has made of the costs and benefits of proposed feeder tariff arrangements. [325615]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): We are introducing feed-in tariffs to encourage small-scale, low-carbon electricity generation by individuals, communities, businesses and organisations that have not traditionally engaged in the electricity market. The costs and benefits of the feed-in tariff scheme are explained in detail in the impact assessment that was published alongside the Government response to the feed-in tariffs consultation and is available from the Department of Energy and Climate Change website.

Mr. Lilley: It is obviously desirable in principle to encourage people who generate their own electricity to feed the excess into the grid, as long as the costs do not exceed the benefits. Small wonder, then, that the Minister failed to answer the question and tell us that the costs of his new feeder tariffs are put by his experts at £8.6 billion, which is 20 times their assessment of the likely benefits. Given that even George Monbiot thinks that that is barking mad, will the Minister consider a more sensible and economically justifiable system of tariffs?

Mr. Kidney: The cumulative cost to consumers is estimated at £3.1 billion to 2020, and the impact is an average increase of £8.50 annually to domestic bills over the period 2011 to 2030. If the right hon. Gentleman were followed by more people in this country, it would be difficult for the country, its Government and its citizens to tackle climate change effectively, but perhaps some people are following his views, most particularly Conservative candidates.

Tom Levitt (High Peak) (Lab): The introduction of the feed-in tariff will be very welcome to people such as the operators of the Torrs hydropower system in New Mills in my constituency—a community-owned hydropower station, of which I happen to be a shareholder. Is my hon. Friend aware that the big barrier is still the start-up costs of community hydro schemes? The Methodist church in Glossop is considering the possibility of having one on its ground, but what hope can he give those who are looking for help with those start-up costs before they can benefit from the feed-in tariff?

Mr. Kidney: I have seen some of the community enthusiasm for small-scale hydro. For example, I visited a scheme at Tutbury in Staffordshire earlier this year. The feed-in tariff is intended to galvanise such communities by showing that they can make a commercial return on such schemes. I am afraid that I shall have to offer to meet my hon. Friend outside the Chamber to talk to him about possible sources of capital funding for such schemes, but there is interest, for example, from some commercial banks today.

Electricity Demand/Capacity

11. **Mr. Andrew Robathan** (Blaby) (Con): What recent estimate he has made of the level of additional electricity generating capacity that will be required by 2015. [325616]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): It is estimated that around 16 GW of existing electricity generating capacity—coal, gas, oil and nuclear—will close by 2015. Some 2.3 GW of new generating capacity was commissioned last year, 10.1 GW is currently under construction, 11.3 GW has both planning permission and permission to connect to the grid, and a further 18.5 GW is in the planning process in England and Wales. This new capacity, as well as energy efficiency measures, means that there will be sufficient capacity in 2015.

Mr. Robathan: I am interested in what the Minister says, because it seems to be at variance with what Ofgem and others say. The Secretary of State talked about the greatest hits of my hon. Friend the Member for Tunbridge Wells (Greg Clark). I would rather go back to Gold radio station, which I listen to because it plays music from the 1960s and 1970s, and that reminds me of when I sat by candlelight through the power cuts. Does the Minister think that Ofgem and others are wrong when they say that they expect power cuts within the next decade?

Mr. Kidney: There is a difference between facts and projections for the future. I have just given the hon. Gentleman the facts as they are today. Project Discovery was all about stress-testing the system, using scenarios that would put it under stress. What the hon. Gentleman can see from the statistics that I have given him from the Dispatch Box is that there is more than sufficient capacity to 2015.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Can the Minister assure me that the production of aircraft carriers will not be threatened by a lack of generating capacity, given that the manufacture of the aircraft carriers is already threatened by the Opposition?

Mr. Kidney: My hon. Friend's chutzpah is remarkable, enabling him to get aircraft carriers into a question about capacity. I assure him that all reasonably foreseeable demands on the electricity system are catered for in the answer that I gave.

Renewables

12. **John Howell** (Henley) (Con): What his most recent estimate is of the proportion of electricity generated from renewable sources. [325619]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): Provisional 2009 data on electricity generation were published in the March 2010 edition of *Energy Trends*. This showed that, after excluding an estimate for non-bio degradable waste use, 6.6 per cent. of electricity was generated from renewable sources in 2009. In 1997, the equivalent figure was 2 per cent.

John Howell: From the answers earlier on renewables, it seems that the Government do not share the pessimism of a number of independent commentators who have said that not enough has been done by way of technology, and particularly by way of developing skills, to achieve the 2020 target. Will the Minister say by how much he estimates we will miss the 2020 target?

Mr. Kidney: I certainly will not, because we will not miss the target for 2020. The hon. Gentleman should watch and learn as all the new renewable capacity, including the immense amounts of offshore wind generation that are already planned in this country, takes effect. On skills, I had the great pleasure last week of launching, on behalf of the Government, a consultation on the subject of skills for a low carbon economy, with the opportunity there to transform the economy of this country and create millions of new jobs in a clean, green and prosperous UK.

Wave Energy

14. **Alun Michael** (Cardiff, South and Penarth) (Lab/Co-op): What estimate he has made of the potential contribution of off shore wave energy to meeting energy needs in the next 10 years. [325621]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): The Carbon Trust has estimated that between 1 and 2 GW of wave and tidal energy could be deployed in UK waters by 2020. This will be followed by large-scale deployment in the period beyond 2020.

Alun Michael: I am grateful to my hon. Friend for his encouraging answer. Taking account of that larger scale deployment, what proportion of our energy needs does he estimate can eventually be produced in that way? Can the aim of reaching that target be accelerated, in order to increase our take from that form of renewable energy?

Mr. Kidney: In the future, as depicted in the low-carbon transition plan last year, our energy will come from a diverse range of sources, including all kinds of renewables, new nuclear power, and clean fossil fuels such as coal and gas with carbon capture and storage. Within that, marine energy has a huge part to play, as was shown in the recent marine energy action plan, which was agreed between my Department and the industry, with the result that the Carbon Trust estimates that there should be about 16,000 jobs directly engaged in wave and tidal stream energy by 2040.

Climate Change

15. **Mr. Jim Cunningham** (Coventry, South) (Lab): What his most recent assessment is of the progress in tackling climate change made since the Copenhagen climate change conference. [325622]

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): Since Copenhagen, we have seen support for the Copenhagen accord grow. Over 100 countries have now associated with the accord, and more than 70 have listed actions and targets to limit their greenhouse gas emissions. Those countries account for over 80 per cent. of global emissions. The willingness of many countries to take substantial domestic action

demonstrates that—with ambition—the international community has the opportunity to come together to tackle dangerous climate change effectively.

Mr. Jim Cunningham (Coventry, South) (Lab): What progress, if any, has been made by India and China to fully co-operate in climatic change measures?

Joan Ruddock: A lot of progress has been made. We have seen China submit to the United Nations its proposals on the way in which it aims to reduce its emissions below business as usual and on how it aims to participate in international discussions. Indeed, we have also seen the constructive way in which China is approaching the progress towards Mexico.

Of course, some issues at Copenhagen disappointed us, and some of the actions of China were a disappointment, but I must say that we are delighted with the way in which China has responded to the accord, and look forward very much to working with it in future.

Fuel Poverty

16. **Miss Anne McIntosh** (Vale of York) (Con): When he expects figures to be available on the level of fuel poverty in the UK in 2008; and if he will make a statement. [325624]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): I refer the hon. Lady to the answer I gave to the hon. Member for Lichfield (Michael Fabricant) some moments ago.

Miss McIntosh: I am most grateful, but the particular question to which I should like to draw the Minister's attention is this: in rural parts of the north of England, where the cost of housing is high, the wages are below average, and the cost of energy is high, what special measures are the current Government proposing in the short time available to them to reduce fuel poverty?

Mr. Kidney: The hon. Lady does better to ask me than Conservative Front Benchers, since their detailed policy document says nothing at all about fuel poverty or any policy to tackle it. In her constituency, more than 1,400 households have been helped with insulation measures by Warm Front. If the House passes the Energy Bill later today, that could help up to 2 million households with their energy bills.

Electricity Generating Capacity

17. **Mr. Desmond Swayne** (New Forest, West) (Con): How much additional electricity generating capacity is planned to be in place by 2020. [325627]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): In addition to the answer I gave to the hon. Member for Blaby (Mr. Robathan) some moments ago, taking into account planned closures of existing power plants and other factors such as the renewables targets, modelling suggests that we might need around 100 GW of total capacity in 2020. In a typical year now, peak consumption will be around 60 GW and total available supply around 80 GW.

Mr. Swayne: I am clearly at one with my hon. Friend the Member for Blaby in my recollections of "Life on Mars"—I remember doing my public exams in the dark. The Minister has expressed confidence in his models, but will he at least recognise that those on the Treasury Bench are almost alone in believing in those models and that there will be sufficient capacity?

Mr. Kidney: I am pleased that Opposition Members have such fond memories of a Conservative Government that brought the country to its knees as they tried to destroy the coal mining industry in this country. However, I have nothing to add to what I said earlier to the hon. Member for Blaby. Those are the facts, and the hon. Member for New Forest, West (Mr. Swayne) is talking about projections or perhaps his own wishes.

Topical Questions

T1. [325629] **Bob Russell** (Colchester) (LD): If he will make a statement on his departmental responsibilities.

The Secretary of State for Energy and Climate Change (Edward Miliband): Over the past 18 months, my Department has set a new plan to cut greenhouse gas emissions by 80 per cent. by 2050; published low carbon transition plan sector by sector for our country; produced a comprehensive plan to help households go green; introduced feed-in tariffs; as well as passing through this House a levy for clean coal. We look forward to continuing our work into the next Parliament.

Bob Russell: I wonder whether the Secretary of State has realised that his Department feels that climate change does not originate—in any shape or form—in the United Kingdom. I ought to have had a question on the Order Paper, but the Department withdrew it, because it did not want to the Secretary of State to answer it. That question referred to the effect of climate change brought about by the continued urbanisation of our countryside—in particular, I draw attention to a new township of 2,200 in the Mile End area of Colchester. This is the question that the Secretary of State's officials did not want to answer: what recent discussions has he had with ministerial colleagues on the effect of climate change on the UK's wildlife and habitat?

Edward Miliband: I think that perhaps people were being over-protective; if I had known, I would have been happy to answer the question, and I am glad that the hon. Gentleman has had the opportunity to ask it now. He raises the important issue of the impact that climate change can have on our natural environment and biodiversity. Conservative Members complain about wind turbines, but the bigger threat to the countryside is climate change—that is what could have a real impact on our countryside. I am glad that the hon. Gentleman got to ask his question and I agree with the intention behind it.

Lynne Jones (Birmingham, Selly Oak) (Lab): Humankind is borrowing from the earth's capital at a rate that threatens the very viability of our planet. Although we do not yet have an agreed currency for the environmental deficit, does the Secretary of State agree that tackling that deficit is as vital as tackling the fiscal deficit? How are we doing in this country in meeting Lord Stern's

recommendation that we should have a carbon constraint on the economy equivalent to 2 per cent. of GDP if costs are not to be even higher in the long run?

Edward Miliband: Let me pay tribute to my hon. Friend, who is standing down. We did not always agree on every issue, but she pursued the issues that she cared about passionately and with great idealism. She asked about carbon constraint. We are living at the moment as if there were three planets on which to live, rather than one. That sums up our excessive use of carbon in this country. Carbon budgets are an important step forward in constraining what we do, Department by Department and sector by sector.

Several hon. Members *rose—*

Mr. Speaker: Order. If I am to accommodate everybody who wants to get in, there will need to be single, short questions and short answers.

T2. [325630] **Miss Anne McIntosh** (Vale of York) (Con): The Secretary of State is enthusiastic about wind power and other renewable energy sources. Will he address two concerns? The first is that wind energy can be connected to the grid only by non-environmentally friendly and wasteful overhead power lines. The second is that renewables can be achieved only by heavy subsidies from all energy users.

Mr. Speaker: There were two questions, but one answer will suffice.

Edward Miliband: My answer is that, yes, there are costs to the low-carbon transition, but the costs of not acting are much greater than the costs of acting. That is the central finding of Lord Stern's report, to which my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) referred some moments ago.

Mr. John Grogan (Selby) (Lab): Will the Secretary of State say a few words about the impact of the proposed level of feed-in tariffs on the development of anaerobic digestion plants such as the proposed Selby renewable energy plant, which is set to power 10,000 homes in the town?

Edward Miliband: I pay tribute to my hon. Friend, who has campaigned tirelessly on a whole range of issues in the House. He will be sorely missed. He is right to say that the issue of anaerobic digestion and the feed-in tariff is important. After the consultation on the feed-in tariff, we made some changes to help anaerobic digestion projects. That will help the take-up of what my hon. Friend has talked about.

T4. [325632] **Sir Alan Beith** (Berwick-upon-Tweed) (LD): Does the Secretary of State share my party's concern that a number of active Conservatives, including parliamentary candidates, do not believe that climate change is happening or believe that if it is happening it cannot be changed by Government policy? What steps will he take over the next few weeks to assist us in challenging that?

Edward Miliband: The right hon. Gentleman makes an important point. As I recall, there were only five votes against the Climate Change Bill when it went through the House. If those Conservative candidates are successful, there will be less of a consensus on the issue in the House than we had at that time. That is why we need to maintain the consensus and convince everyone around the country that climate change is real, happening and man made.

Dr. Brian Iddon (Bolton, South-East) (Lab): There are now more than 250 climate change agreements with the chemical industry. Has my right hon. Friend calculated the impact of next year's reduction in the subsidy on the climate change levy from 80 to 65 per cent. in respect of the energy-intensive industries?

Edward Miliband: I pay tribute to my hon. Friend, who is standing down. He raises an important issue about energy-intensive industries and protection for them. A number of changes were made and there has been some consultation since then with those industries. We are convinced that we can make that change in a way that gives them proper protection against the things they are concerned about.

T5. [325633] **Mr. Peter Lilley** (Hitchin and Harpenden) (Con): Is the Secretary of State aware of the consensus between me and George Monbiot? Mr. Monbiot says that the Government's introduction of feed-in tariffs will

"shift £8.6bn from the poor to the middle classes. It expects a loss on this scheme of £8.2bn, or 95%."

How does the Secretary of State justify that loss and waste?

Edward Miliband: I do not consider it to be waste. *[Laughter.]* I am not sure why that is so funny. There is a cost to making the transition to low carbon. Part of the way in which we need to make it is by individuals having solar panels and wind turbines on their roofs. That is a way of engaging people and local communities. The right hon. Gentleman's remarks would be better directed at his party's Front Benchers, who want to make the feed-in tariffs even more generous.

Mr. Stephen Hepburn (Jarrow) (Lab): Despite the Tories' attempts to destroy the coal mining industry, the north-east of England still sits on massive coal reserves. What future does the Minister see for that coal?

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): My hon. Friend has a long-standing interest in supporting a UK domestic coal industry, and so do the Government. We see that a future for a strong domestic market will come from making a success of carbon capture and storage. That is why we have been prepared in the Energy Bill to make provision for funding to contribute towards four commercial-scale demonstration models of the full carbon capture and storage operation.

T6. [325634] **Mr. Andrew Robathan** (Blaby) (Con): May I ask the Secretary of State the question that the Under-Secretary failed to answer? Given the Government's dithering about nuclear energy and other matters, are we going back to my youth, when I sat working by candlelight under both Labour and Conservative Governments? Will he categorically

disagree with Ofgem and others who say that there will be power cuts in the next 10 years because of the Government's dithering?

Edward Miliband: I disagree with the hon. Gentleman; we are not going back to the 1970s, although the Conservative party may be going back to the 1980s. I am confident about security of supply in this country.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): My right hon. Friend will be aware that, on 1 October 2008, we introduced a modified pneumoconiosis scheme. That allows a miner who was employed by British Coal to claim a compensation payment, either under the Pneumoconiosis etc. (Workers' Compensation) Act 1979 or the 1974 scheme. However, is he aware that a man who has been employed in the private sector since 1994 can claim only under the 1974 scheme? Those payments tend to be lower than those made under the 1979 Act. Will the Secretary of State look at that anomaly and set in place a remedy when he comes back after the election?

Edward Miliband: That is a very fitting question from my hon. Friend at the end of this Parliament. Hundreds of thousands of families up and down the country have reason to thank him for his extraordinary campaigning on compensation for miners and their families. As with so many other issues that he has raised, I am sure that an important point is involved. We will take up the issue.

T7. [325635] **Mr. Desmond Swayne** (New Forest, West) (Con): Germany has gas storage capacity equivalent to a quarter of its annual average consumption. By comparison, ours is tiny. Why does the Treasury Bench think that we have enough?

Edward Miliband: It is called the North sea. Germany does not have its own indigenous supplies of gas and oil, but the North sea continues to provide more than half our gas supplies each year.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Has the former Conservative Government's privatisation of many energy production facilities in this country made it easier for the Secretary of State to construct a sustainable energy policy?

Edward Miliband: The competitive market has brought benefits to Britain, but it needs to be properly managed and regulated. The document that we published at the time of the Budget sets out how the energy market needs to be reformed.

T8. [325636] **Mr. Andrew Pelling** (Croydon, Central) (Ind): When I walk home late at night following late sittings in the House, I often notice birds singing because of the light pollution. Does the Minister think that that is a potential issue, and could any action be taken to deal with that significant distortion to our climate and environment?

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): The hon. Gentleman has obviously not had the pleasure that I have had from a nightingale that I find singing in my garden. There can be joys in hearing birdsong in the early hours of the morning. Unfortunately, he is still awake at that time, like me and many other hon. Members. The demands of energy efficiency mean that the Government look increasingly at whether light levels could be reduced while being consistent with the safety of people, such as the hon. Gentleman and me, who are on their way home.

Andrew Miller (Ellesmere Port and Neston) (Lab): Can I say to the skilled work force at Urenco that, whatever happens to the future of Urenco, Britain will maintain its pre-eminent position in nuclear fuel enrichment?

Edward Miliband: My hon. Friend can say that. Urenco plays an important role in this country and is part of our nuclear asset, and we intend to keep it that way.

Christopher Fraser (South-West Norfolk) (Con): Will the Secretary of State finally accept that the Government have failed people in rural areas in terms of fuel poverty? In such areas, there is not a choice of suppliers and the use of a car is a necessity, not a luxury.

Joan Ruddock: I think that in my earlier replies on rural homes, I suggested that there was a need to give more attention to rural areas and to make sure that people living there are able to make real savings and reduce their bills. That is clearly going to happen as a result of the types of measures that we are introducing, from extended carbon emissions reduction targets to the increase in CERT and adjustments in the warm homes programme, as part of which air source heat pumps are being trialled.

Tom Levitt (High Peak) (Lab): My final contribution to this House is quite fundamental. The northern half of this planet grew rich from 200 years of exploitation of carbon. Can the Minister assure us that everything is being done to ensure that the southern half of the planet can develop riches of its own without that dependence on carbon?

Edward Miliband: We will miss my hon. Friend, who raises an important issue. Last week, my right hon. Friend the Prime Minister held the first meeting of the high-level panel set up under the Copenhagen accord and set out how we can find $100 billion a year by 2020 to help people in the developing world not just with adaptation to climate change but with mitigation. That speaks to the issues of justice that my hon. Friend asked about and has fought for in the House.

Sir Patrick Cormack (South Staffordshire) (Con): As one who remembers questions by candlelight in this House in the year that the Secretary of State was born, may I ask him whether he believes that we are truly honouring our historic debt to our mining communities and giving sufficient emphasis to coal technology?

Edward Miliband: Let me pay tribute to the hon. Gentleman, who is also standing down from the House. He will be much missed, and is a respected figure on both sides of the House. He used to try to persuade me when I was Third Sector Minister not to call it the third sector, and he never quite succeeded, but we will miss him.

We should always think about the debts we owe to our mining communities. I represent a mining area. Work has been done on regeneration of our coal field areas and on reopening some pits, including in my constituency, but there is always more to be done on this issue.

Mr. Speaker: Last but not least, Sir Nicholas Winterton.

Sir Nicholas Winterton (Macclesfield) (Con): I am most grateful to you, Mr. Speaker and I support the comments of my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack). As a Conservative who in this House has consistently supported the mining industry, may I ask the Secretary of State how much he believes that clean coal technology can contribute to the security of energy supplies in this country? We have so much coal here that I believe that coal can continue to play a major role in energy generation.

Edward Miliband: The hon. Gentleman will be much missed from this House. He has been a fighter not just for coal but for manufacturing industry in general and he has distinguished himself and is known throughout the country for the work that he has done. He is right to say that clean coal technology is an important part of our future. We are shortly to pass the Energy Bill, which introduces a clean coal levy to fund carbon capture and storage demonstration. That could be a massive industry for the future for Britain and could benefit all our regions. I hope that the House will pass the Bill and that we can get on with the business of making that happen.

Points of Order

11.34 am

Andrew Mackinlay (Thurrock) (Lab): On a point of order, Mr. Speaker. I fully understand that when the Lords messages come back the competence of this House is to deal exclusively with those messages, but will you and your deputies allow one bit of licence and give Ministers the opportunity to explain why things have been omitted from legislation when they gave undertakings to the House that they would table amendments in the House of Lords?

If I may illustrate the point, the hon. Member for Foyle (Mark Durkan), seconded by the hon. Member for East Antrim (Sammy Wilson), tabled amendments in this House to extend the credit unions in Northern Ireland to come under the auspices of the Financial Services Authority. That would have allowed them to have a greater product range, guarantees and so on. We should bear it in mind that credit unions are very important in Northern Ireland; 26 per cent. of people in Northern Ireland use them as opposed to 1 per cent. in England.

The Minister at the Dispatch Box gave an undertaking that the Government would table amendments in the House of Lords. If they have been deleted—

Mr. Speaker *rose*—

Mr. David Winnick (Walsall, North) (Lab): It is his last intervention—

Mr. Speaker: Order. Well, I want to be helpful to the hon. Member for Thurrock (Andrew Mackinlay). First, as a general principle and a matter of practice, debate is restricted in these circumstances to the Lords amendments themselves. It is not an occasion for wider ruminations. Secondly, the hon. Gentleman's attempted point of order—I am not sure that it was a point of order—raised a hypothetical question, and I think that my best answer is that we will deal with these matters as they develop.

I conclude by saying to the hon. Gentleman that I think he was being argumentative, and he would not be the hon. Member for Thurrock if he was not being argumentative. I will miss him, and I am sure that the House will miss him.

Michael Fabricant (Lichfield) (Con): On a point of order, Mr. Speaker. A parliamentary written answer has revealed that Charlie Whelan has been given a House of Commons pass by the Labour party, yet you will recall that the Prime Minister asserted in previous Prime Minister's questions that Mr. Whelan is in no way connected with the Labour party. Has any indication been given to you that the Prime Minister now wishes to correct his original assertion, which was untrue?

Mr. Speaker: The hon. Gentleman is a very experienced Member. He has served in the House without interruption since 1992. He knows that I have absolutely no responsibility for the content of ministerial answers, including Prime Ministerial answers. The issue of passes is a matter that is handled in the normal way. The hon. Gentleman is a perspicacious fellow, and he knows perfectly well that what he has raised with me is an intriguing point of debate, but not a point of order.

Peter Bottomley (Worthing, West) (Con): Further to the points of order, Mr. Speaker. The issue that I think was raised was one about lobbying. A political director of an outside organisation with a parliamentary pass is a lobbyist. That is the issue that needs to be considered by the House authorities.

Further to the point raised by the hon. Member for Thurrock (Andrew Mackinlay), is it not clear that Ministers need to be reminded that they may rise on a point of order to say something that they cannot say as part of the debate? I hope that Ministers will have heard that.

Mr. Speaker: Again, that is a hypothetical point, and perhaps the hon. Member for Worthing, West (Peter Bottomley) excels at those. He has made his point. It is on the record, and Ministers who might not have been aware of the opportunities available to them have helpfully been made aware of them by the hon. Member.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): On a point of order, Mr. Speaker. I have two points of order on the same subject. First, you will be aware that on 4 March the House voted to reform its procedures by an overwhelming majority, and essentially instructed the Government to bring forward the Standing Orders for that purpose in this Parliament. Those were the terms of the motion. The Government have not done that. Have you heard of a precedent for the Government defying the will of the House in that way? If they can do that, what is the point of our being here if we can pass a motion instructing the Government to do something and the Government just ignore it?

My second point of order is that it emerged yesterday that one of the excuses that the Government gave for not introducing the Standing Orders was that they had tabled them for approval without objection. They said that because objections had been made against their will, they could not bring forward those Standing Orders by that method. I am glad that the Deputy Chief Whip is in his place. It turned out yesterday that when one of the people—the right hon. Member for North-West Durham (Hilary Armstrong)—who had put down objections responded to an e-mail from the hon. Member for Cannock Chase (Dr. Wright) asking her to remove her amendments, which counted as objections, her office referred the matter to the Government Whip's Office. That means that the Government were objecting to their own motion, by proxy. Is it acceptable for the Government, first, to do that and, secondly, to attempt to mislead the House—apparently inadvertently—by saying that these were individuals acting freely?

Mr. Speaker: The hon. Gentleman is indefatigable in his efforts. He said that he wanted to raise with me two points of order. In respect of the first, I think that he is seeking to inveigle me into debate. I think that I should resist any such temptation. The wider point that I would make in relation both to his first and second points of order is that all of these matters have been very thoroughly ventilated. The last observation that it is sensible for me to make to the hon. Gentleman is that a Committee was established under the chairmanship of the hon. Member for Cannock Chase (Dr. Wright). It produced its recommendations, which were, as the hon. Gentleman said, debated and voted upon on 4 March. I have absolutely no doubt whatever that the

House will return to these matters. If I were in any doubt, the hon. Gentleman could assure me that they will arise again. I cannot go further than that. These matters will not go away, but I cannot be drawn into debate upon them today.

Sir Patrick Cormack (South Staffordshire) (Con): On a point of order, Mr. Speaker. I would be grateful for your assistance. I understand that the House will dissolve by royal proclamation on Monday and that our last sitting will be Prorogation later today. For the sake of those of us who will be leaving and who will wish to attend that ceremony, could you ensure that adequate notice be given on the monitors of its timing?

Mr. Speaker: Certainly notice will be given on the screen and the hon. Gentleman is right to draw our attention to that. I am very glad that he and others will wish to attend the ceremony. Knowing that the hon. Gentleman has served in the House without interruption, I think, since 18 June 1970, I would like to echo the tributes that have been paid to him. I wish him a long, happy and healthy retirement. I say exactly the same to his hon. Friend sitting to his right, the hon. Member for Macclesfield (Sir Nicholas Winterton), who entered the House in 1971 and has served without interruption since. I am sure that both of them will be at the ceremony and I look forward to seeing them there. Of that ceremony they will get decent notice.

Peter Bottomley: On a point of order, Mr. Speaker. On the issue of Charlie Whelan's pass, is it in order for a lobbyist to have a pass for this place?

Mr. Speaker: I have already ruled on that matter—[*Interruption.*] Order. The hon. Gentleman must calm himself. He has raised a point of order and I am answering it. I simply said that I have ruled on that matter. What I have said is all that I have to say at this stage and we should not pursue it. There is important business that the House has to consider. I am always very open to points of order and I try to deal with them in a way that is helpful and comprehensive, but I do not think that the patience of the Chair should be unduly stretched.

Sustainable Communities Act 2007 (Amendment) Bill

Consideration of Bill, as amended in the Public Bill Committee

Clause 1

AMENDMENT OF EXISTING PROCEDURE IN SUSTAINABLE COMMUNITIES ACT 2007

11.44 am

Mr. Christopher Chope (Christchurch) (Con): I beg to move amendment 1, in page 1, line 1, leave out clause 1.

Mr. Speaker: With this it will be convenient to discuss the following: amendment 5, clause 2, page 2, line 15, at end insert

'within six months of receiving such a proposal.'.

Amendment 6, page 2, leave out lines 28 to 32.

Amendment 7, page 2, leave out lines 33 and 34.

Amendment 8, page 2, leave out lines 35 and 36.

Amendment 9, in page 2, leave out lines 37 and 38.

Amendment 10, page 2, leave out lines 46 to 49.

Amendment 11, page 3, leave out lines 3 to 5.

Amendment 12, page 3, leave out lines 13 to 16.

Amendment 13, page 3, leave out lines 17 to 27.

Amendment 14, page 3, line 29, leave out 'or an order under section 5C'.

Amendment 15, page 3, line 39, leave out 'or an order under section 5C'.

Mr. Chope: I much regret that I never got a response from the Leader of the House to my offer yesterday to forgo this one-hour debate so that we could deal with the business committee. The Government said that the shortage of time meant that they were not prepared to bring the matter forward. It is incredibly impolite of the Government not even to respond to my offer to allow this debate to go short to allow time to discuss that all-important business issue.

In facing the reality that the Government do not listen and are not interested in Back-Bench opportunities, I suppose it is something to be given an hour to discuss this important Bill. It is a pity that it has to be discussed on the day we are expecting Prorogation because there were many earlier opportunities to discuss it had the Government been willing to put the matter on the Order Paper for those several days before Easter when the House rose far earlier than it needed to under the normal arrangements.

The amendment relates to measures that I and my hon. Friend the Member for Peterborough (Mr. Jackson) expressed concerns about on Second Reading. From the Front Bench, my hon. Friend expressed concern on behalf of the Local Government Association about the proposed measures to allow the Secretary of State to publish regulations on the procedure for making proposals. He said that such regulations were likely to lead to increased prescription governing consultation and engagement with parish councils and petitioners, as well as confusion over the form, content and timing of

[Mr. Chope]

the proposals. According to the LGA, the resource implications for local authorities of participating under the Act were considerable and should not be underestimated.

My hon. Friend cautioned against being too prescriptive on establishing a national template for what is best for everyone in terms of consultation and engagement with local community groups. He said that we should trust local authorities to be responsive and not to prescribe too much for them. Nothing was done to table an amendment along those lines to reflect my hon. Friend's concerns in the short time—

Peter Bottomley (Worthing, West) (Con): Further to my earlier point of order, Mr. Speaker. Am I right in thinking that it is for the Serjeant to look into the issue that I raised earlier?

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order. I said that passes were issued in the usual way. The ultimate responsibility for the issue of those passes lies with the Serjeant at Arms, as the hon. Gentleman rightly says. She will look into the circumstances of the issue of the pass. I hope that that is helpful both to the hon. Gentleman and to the House.

Mr. Chope: It is certainly helpful to me and I hope that the Serjeant at Arms will do so with great expedition. Obviously time is running short for a further ruling that might come as a result of those inquiries.

I have tried to articulate our concerns in the form of a group of amendments to which I shall refer shortly. I tabled amendment 1 because clause 1 is effectively a retrospective provision. It changes the rules of the game after the event. Local authorities, with community groups, were encouraged to participate in a bidding process under the Sustainable Communities Act 2007. That process was always being delayed by the Government. For example, the Act came into law in October 2007. Under its terms, the Government had to invite bids within one year. Instead of inviting bids over a short period, they invited them over a nine-month period, so that the bids had to be in by the end of July last year. Those bids—there were more than 300 from 100 different local authorities—had then to be considered extensively by a panel, which had as its chairman Councillor Keith Mitchell of the LGA. The panel worked extremely hard to go through all the bids and assess them by using the criteria set down in the original Bill. It then presented them to the Secretary of State, whom I saw fleetingly for about a minute on the Front Bench just now, but he has obviously decided that this matter is beneath his dignity, which is a great pity. I know from experience how marginal the seat of Southampton, Itchen is, so I imagine he is heading off there to participate in a closely fought general election campaign.

The Parliamentary Under-Secretary of State for Communities and Local Government (Barbara Follett): Will the hon. Gentleman give way?

Mr. Speaker: Order. Before the hon. Lady intervenes, I will helpfully say—I know the hon. Member for Christchurch (Mr. Chope) always likes to be helped—that we are focusing on the narrow terms of the amendment. Consideration of election campaigns either in Southampton, Itchen or elsewhere is quite out of the scope of the amendments. Being the very fastidious and committed parliamentarian that he is, I know he would want to be in order.

Mr. Chope: I certainly would like to be in order, Mr. Speaker. I was expressing my disappointment that the Secretary of State, who is responsible for the Bill and the activities under it, was in his place momentarily but did not stay. Indeed, he was the person to whom the open letter to which I referred from Councillor Keith Mitchell was addressed. I admit that I went beyond the bounds by speculating about the reason why the Secretary of State may have left so soon.

Barbara Follett: I would just like to explain on behalf of my right hon. Friend the Secretary of State that he came in to check progress and, having already heard the hon. Gentleman's contribution several times, he decided to come back later.

Mr. Chope: I do not know whether the Minister is familiar with the long sparring game that I have had with the right hon. Member for Southampton, Itchen (Mr. Denham). It goes back to when he was selected for Southampton, Itchen for the Labour party, before I was even selected as a Conservative parliamentary candidate back in 1983. So I would not be surprised if he is fed up of listening to my voice. The hon. Lady is retiring at the general election and I have always regarded her as one of the more courteous Members of the House, but I am disappointed with the explanation she has given.

Mr. Edward Leigh (Gainsborough) (Con): May I just say to my hon. Friend that I was sitting in the Tea Room just now and as soon as his name appeared on the annunciator, people immediately started rushing back to the Chamber to hear him? He is one of our finest commentators and this is a gross slur on the part of the Minister.

Sir Nicholas Winterton (Macclesfield) (Con): Labour Members have not rushed back.

Mr. Leigh: Maybe not—

Mr. Speaker: Order. The hon. Member for Gainsborough (Mr. Leigh) was trying to make an orderly intervention, but unfortunately he failed in the attempt. I know that when the hon. Member for Christchurch gets to his feet, he will not spend time dilating on those matters, but will focus his remarks very narrowly on the specific terms of the amendment, because time is being taken that might otherwise be taken by other hon. or right hon. Members.

Mr. Chope: I have never been one for dilating. On subject of time, it is important to recognise that it is only because some of us have insisted on having the matter debated, rather than letting it go through on the nod, that we are discussing it at all. I am conscious of the fact that it is important that we have a chance to explain the amendments and get a response about them from my hon. Friend the Member for North-East Bedfordshire (Alistair Burt), the promoter of the Bill. I am not sure that the way things are timed out means that we will have long for a discussion on Third Reading. We will have to rest the matter there.

Amendment 1 relates to the primary Act—the Sustainable Communities Act 2007—under which local authorities were invited to submit bids. I have gone through the process that the local authorities went through and I know that they are expecting to get a decision from the Government on those bids. Indeed, the open letter that Mr. Mitchell sent to the Secretary of State at the turn of the year, when the short list was put forward, states:

"We hope that the process"—

of discussing the proposals—

"will be completed before the Easter recess so that councils can get on with the job of delivering for their local residents."

He asked the Secretary of State to set up a series of meetings in January and February to that end. On Second Reading on 26 February, the Minister expressed lots of hope and expectation that progress was going to be made on delivering a response to the bids by this time—the last day of this Session. However, nothing has happened. In a sense, my hon. Friend the Member for North-East Bedfordshire is giving an excuse to the Government for further delay because clause 1 changes the applicable rules. By doing so, officialdom is given an excuse to say, "Well, we've now got to go back and look at the bids again using different criteria." The Secretary of State previously had to say whether a proposal should be implemented, but now if clause 1 remains unamended, he can decide whether it should be implemented in whole or in part. That is a completely different concept. It is one thing to say that future bids should be assessed on that basis—indeed, that is covered in clause 2—but it is wrong in principle to change the rules at this stage of the game because such an alteration is retrospective and will be counter-productive. That change will cause a lot of disappointment to local authorities and those who are engaged in the bidding process with good will, as they had hoped something would be achieved.

If my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd), who drove through the original Bill—I am pleased to see him in his place—were being frank, I think he would have expected to see some results from his efforts by the end of this Parliament. However, there have been no results. As with all these things, I suppose there may be a silver lining, which is that an incoming Conservative Government will be able to assess the bids de novo and come up with more sensible conclusions that might otherwise have not been reached. That does not alter my concern about the retrospective nature of clause 1, which is why I have tabled my amendment.

Amendments 5 to 15 relate to regulations. Amendment 5 states that if we are going to be prescriptive, we should be prescriptive in respect of the Secretary of State's timetable. That amendment, which applies to page 2, line 15 of the Bill, would require the Secretary of State to consider each proposal and to decide

"within six months of receiving such a proposal."

That seems to be a sensible element of prescription, because it puts the pressure on the Secretary of State to respond in a timely fashion. At the moment, the proposals are sitting on desks in the Department and nothing much is happening to them. We should at least learn from the past and ensure that, when we have future rounds of bidding, the Secretary of State has to respond quicker to the proposals.

We should pay tribute to the LGA for working so hard to go through all the original proposals and come up with a short list that sets out in detail the merits and demerits of each proposal and links them together in convenient categories—in other words, for doing a lot of the Secretary of State's work. It is a pity that the Secretary of State did not respond in a timely fashion to such a proposal, but amendment 5 would ensure that in future the Secretary of State would have to so respond.

12 noon

Amendment 6 would remove the provision—albeit a permissive provision—in subsection (3)(a) of proposed new section 5B that would require

"a local authority to take specified steps before making a proposal (which may, in particular, include a requirement to consult or otherwise involve the council of any parish which is wholly or partly within the local authority's area, or to consult local persons".

Surely we should trust local authorities to decide such matters. Obviously, if they do not consult and they do not demonstrate quite a lot of local support for their proposals, those proposals are less likely to succeed. Why do we need regulations to require them to consult? It just seems to be bureaucracy going too far.

Amendment 7 would remove from the regulations the requirement to specify

"the way in which consultation…is to be carried out."

Surely we should allow local authorities to decide for themselves how to carry out a consultation. Why do we need regulations? This is bureaucracy and centralisation of the very worst sort.

Amendment 8 would remove the regulations that require

"a local authority to try to reach agreement with persons consulted under the regulations."

It is far from clear to me what that means. As we know from dealings in this House, it is possible to get agreement between people with good will, but it is not always so. If local authorities want to put forward a proposal that has a lot of consensus, they should be able to do so. How can we require them to reach a particular type of agreement with people who have been consulted under the regulations?

Amendment 9 refers to the regulation that would require

"the local authority to have regard to guidance issued by the Secretary of State"—

Mr. Leigh: Would my hon. Friend agree that the best regulator of local authorities is the people voting in local council elections?

Mr. Chope: Absolutely. The great thing about local authorities is that they are elected and, therefore, accountable. Later, we will come to my amendment that relates to the proposal by my hon. Friend the Member for North-East Bedfordshire to widen the definition of a local authority to beyond that of a local authority with elected members. If we wish to empower local authorities and democracy, we should ensure that we trust local authorities to get on and do the job for which they have a statutory duty. Subsection (3)(d) of proposed new section 5B, which would be removed by amendment 9, is, in any event, contradictory. Local authorities should either have regard to the guidance, or they should be

[Mr. Chope]

required to comply with the guidance. I do not think that we can have it both ways. In any event, the provision is far too prescriptive.

Amendment 10 would delete paragraph (h), which, at the moment requires

"the Secretary of State to specify one or more persons who must be consulted, and with whom the Secretary of State must try to reach agreement, before making a decision in relation to a proposal".

In other words, we are talking about the Secretary of State requiring himself to consult with somebody to try to reach an agreement, which is not at all clear. I know that this is, essentially, a Government handout Bill that my hon. Friend has been promoting with Government support.

Alistair Burt (North-East Bedfordshire) (Con): No.

Mr. Chope: If I am wrong about that, my hon. Friend should accept responsibility for the wording of paragraph (h) and explain it to us. I was trying to be generous to him. Given that this Bill has been given Government time today, I assumed that the Government were supporting it. Perhaps they are supporting it because they are embarrassed about their own failure to deliver on the original Act, and think that this will allow them to paper over the cracks.

Amendment 11 would remove paragraph (j), which currently requires

"the Secretary of State to publish and lay before Parliament a report describing the progress which has been made in relation to implementation of the proposals."

That is redundant because it is open to any Member of this House to put down a question to the Secretary of State and obtain an answer. We know from the way in which the Secretary of State and his Ministers have been responding that they have not been exactly precise in setting out the progress, but that will not be remedied by putting into regulations a requirement that they must publish a report describing progress. It would be much better to set a deadline, which is what amendment 5 proposes, of six months to sort everything out.

Amendment 12 would leave out subsection (6) of proposed new section 5B, which extends the definition of a local authority. It says:

"A reference in this section to a local authority is to be treated, where an order has been made under section 5C specifying persons or classes of person who may make proposals under this Act, as including a reference to those persons or classes of person."

In other words, we are extending the definition of a local authority to include people who are not elected. My time in local government began in an era in which there were people called aldermen. I won my first election on Wandsworth council in 1974, and the first thing that happened was that the person whom I defeated was appointed alderman, which was not very good for democracy. I congratulated him and said that it was because of me that he was an alderman rather than a mere councillor. What we are doing in this Bill is extending the definition of a local authority, thereby effectively undermining the elected local authority members because we are, by implication, giving an equal or similar status to people who are not elected or accountable through the ballot box. That is a most unfortunate part of this Bill. It follows, therefore, that I am very much against proposed new section 5C, so my amendment 13 would leave it out. That brings me on to consequential amendments 14 and 15, which would follow as a result of removing proposed new section 5C. I know that you take a keen interest in such matters, Mr. Speaker, so I hope that you will appreciate that, in my submission, this Bill falls far short of the ideal. It is a pity that it is now being pushed through at the last minute without the chance of proper considered debate. I suppose that we still have time to divide the House on one or more of these amendments.

Mr. Leigh: Why not?

Mr. Chope: I look forward to the contribution of my hon. Friend the Member for Gainsborough (Mr. Leigh). It may be that such Divisions would be a sensible way to proceed. In any event, if this Bill goes through and gets its Third Reading today, are we expecting the other place to allow this Bill to have a Second Reading, a Committee stage, a Report stage and Third Reading all before the end of this Sitting?

If debating the amendments today achieves nothing else, I hope that it will draw their lordships' attention to the fact that the Bill is far from perfect. If it has the support of those on both Front Benches, there is no reason why its contents could not be brought forward in a fresh piece of legislation in the next Parliament, if indeed anything is needed. All it really needs is an expression of intent. The Bill is really asking the Government to express an intent of good will towards the original Act. In all such respects, actions speak louder than words. We have seen the delaying tactics that the Government adopted in the implementation of the original Act and the proposals put forward under it.

I do not think that the world will be a better place for having the Bill on the statute book, but I will not go so far as to say that the ceiling would fall in as a result, because in the context of what we have to do in the House this is all relatively trivial. However, underlying it all is the fact that we have raised the expectations of hundreds, if not thousands, of people and organisations up and down the country who have put in bids under the original Act. Those bids have been shortlisted and the people are waiting for them to be resolved. Why do not we wait for those bids to be resolved before deciding on further legislation?

Barbara Follett: I am pleased to be here today because I thought that after the events of a couple of weeks ago we would not get the Bill before the House again. It is thanks to the actions of my right hon. Friend the Secretary of State that we have once again returned to this most welcome Bill.

Amendment 1 would remove the useful flexibility that the Bill introduces. In other words, instead of being able to make decisions on each of the 242 distinct requests contained in the 199 separate proposals that we have received under the Sustainable Communities Act, the Secretary of State would be obliged to decide on all requests contained in each proposal. Given that Oxford city council, for instance, submitted a proposal with 25 individual requests for action, amendment 1 would require us to take a blanket approach to all of them, which would mean that we could lose some good

proposals. Also, instead of being able to introduce some proposals immediately and some a little later, we would not have the flexibility that the Bill introduced by the hon. Member for North-East Bedfordshire (Alistair Burt) gives us. Clause 1 is a common-sense clause. It will speed up and enable decisions rather than slow them down.

Amendment 5 would get in the way of flexibility in the process for inviting, considering and deciding upon proposals. It would remove the flexibility that the Bill gives us and make the process for deciding upon proposals much less flexible. The amendment and a deadline fixed by primary legislation would give less opportunity for organisations such as the Local Government Association to influence the Secretary of State's decision, and it could result in him deciding not to implement a complex proposal because he did not have the time to consider it in detail.

The hon. Member for Christchurch (Mr. Chope) mentioned extending invitations to unelected bodies. Parish councils might be on the lowest rung of local democracy, but in the areas I know well they are by no means the least important. We wish to see them included.

12.15 pm

Mr. Chope: Parish councils are probably the perfect example of democracy in local government because they have to raise all the money they spend from local people and account for it. Would the Minister accept that the proposed new section 5C goes much wider than giving a power to include parish councils? It states that any

"other persons who represent the interests of local authorities as the Secretary of State thinks fit"

could be defined as local authorities, but it does not state that they have to be elected.

Barbara Follett: No, but it does exactly what we hope it will do: involve local people far more in local democratic processes.

Mr. William Cash (Stone) (Con): Will the Minister give way?

Barbara Follett: No, I must make some progress. Given the lack of knowledge of the number and complexity of proposals, it is not reasonable to set a deadline, because it would mean that the Secretary of State could go into default or would have to decide on proposals, which are extraordinary complex and affect many Departments, in a very short time.

We hope to issue the next invitation for proposals by the summer of 2011. Placing a date in primary legislation now would unduly restrict the Government and all those who want a say in how we move forward. The Secretary of State will inform the House by the end of the year of the latest date by which the invitation can be made.

The provisions within the proposed regulations, which would be affected by amendments 6 to 11, were the result of submissions of many of those who took part in the consultation on the first round. The provisions in the Bill are not prescriptive. They are a reminder to the Government of what local authorities and parishes feel are important in that process.

Amendments 12 to 15, and especially amendments 13 to 15, would deny the Government the opportunity to listen to the wishes of parish councils, which, as I have said, are an important part of local democracy. Denying the Government the power to invite anyone other than local authorities in any situation imaginable is neither an appropriate way forward, nor in the spirit of the Bill. With that in mind, I urge the hon. Member for Christchurch not to push his amendments.

Alistair Burt: I am grateful for the opportunity to speak today and, I hope, to see the Bill through to a conclusion. I hope that you will allow me, Mr. Speaker, to deal briefly with the amendments in detail and say one or two words of thanks.

I am grateful to the Minister and her colleagues for finding time to bring the Bill back at this late stage. However, I know, as she does, that that is no Government handout. The time and effort that my hon. Friend the Member for Christchurch (Mr. Chope) puts into scrutiny is much appreciated by the House. Although it is not always the easiest thing to listen to, the House would be much the poorer without colleagues like him, as what he tries to do is important. However, he rather unkindly suggested that the Bill was a handout and I am sure he is aware of the grass-roots movement that inspired the original Sustainable Communities Act. The Bill has been inspired by the same movement, rather than the Government. The Government were not happy with the original Act and had to be persuaded that it was the right thing to do by colleagues from across the House and in a series of public meetings. The Government then embraced the idea and took it on. The idea for an amendment to the Act has come from the same grass-roots movement, as it saw one or two deficiencies in the original Act, which is what this small, amending Bill is designed to put right. It is not a handout.

My hon. Friend might well be correct that an element of embarrassment, perhaps about the time it has taken for the proposals to come through, has enabled the Government to be more generous in their interactions with me and with those Members supporting the Bill so that the current amendments could be brought forward today, but there is a distinction between that and a handout.

Mr. Chope: I apologise to my hon. Friend for having inadvertently slurred him by suggesting that the Bill is a Government handout. However, I am concerned about clause 1. The Government are already charged with reaching a decision on the proposals before them, and clause 1 would introduce more flexibility, as the Minister said. Are the Government themselves asking for this flexibility, or is it something that has come from my hon. Friend and his friends?

Alistair Burt: I shall come back to clause 1 and deal with that point in a second, if I may.

The Bill and the amendments reflect interest outside the House in trying to do something different in terms of local activity. I briefly pay tribute to those who have put so much work into the Bill: Local Works, which is so often represented in the Palace establishment by Ron Bailey, who made considerable efforts to move this project forward; the LGA, which has worked so hard on it; the Minister and her officials; and, in particular,

[Alistair Burt]

colleagues in the House, not least my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd) who introduced the original Bill, and friends such as the hon. Members for Stroud (Mr. Drew) and for Falmouth and Camborne (Julia Goldsworthy), who put so much into this Bill. Its success is shown in the 100 local authorities who submitted proposals. There were 301 proposals submitted to the Government for consideration, 199 ultimately by the LGA.

The Bill has a sweep of support both in the House and beyond. If we can believe that, in these times, this kind of grass-roots activity can make an impression on Government, we are acknowledging that times are indeed moving on and that the new politics has a place.

One thing I share firmly with my hon. Friend the Member for Christchurch is the wish that, in a few weeks' time, it will be our colleagues on the Front Bench who will be charged with the onerous responsibility of dealing with delivery of the proposals that are currently with the Department—a wish that he and I share most fervently. I believe that at that time I will be able to encourage my colleagues on the Front Bench to take forward some of the ideas contained in the amendments. I shall return to that in a moment.

Mr. Cash: I am not universally hostile to the proposals by any means, but I am concerned about the definition of "local authorities". Could my hon. Friend explain, as I believe he more or less did just now, the reference to those who

"represent the interests of local authorities as the Secretary of State thinks fit"?

Does that refer exclusively to local government associations? If not, it raises all kinds of difficult problems.

Alistair Burt: I do not think that the reference is exclusively to local government representative associations. The definition can be taken quite widely, and there are several representative bodies, not least the LGA and others, which might be covered by it.

I shall run briefly through the amendments. On the amendments to clause 1, I take the Minister's view that the clause gives necessary flexibility in respect of decisions on proposals already submitted. I would like as many of those proposals as possible to be given the opportunity to come to pass. If that means that by being able to look at them in detail and decide that parts of some proposals are simply unworkable but other parts are workable, I do not think that it is a bad thing to have the flexibility that is in the Bill. That would have been wished for if the issue had been thought through when we considered the original Sustainable Communities Act. I am perfectly content that the clause gives that flexibility.

I am not completely hostile to the idea of a timetable. It is not in the Bill because, as my hon. Friend the Member for Christchurch knows, we have to take what we can get in the wash-up. I heard what the Minister said about including a timetable in the Bill possibly constraining the flexibility of the Department, but I am not so sure that it would not be helpful to have some final deadline. Otherwise, there is a risk that it could take a long time for proposals to come through, and there could be much frustration outside. I would have been quite amenable to a timetable clause being added to the Bill to provide a final stop line to ensure that things come forward. In the meantime, I accept the assurances given by the Minister that there is a sensible timetable.

One thing I would like to urge on my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) is that when he sits in a different office in a few weeks' time, one of the first things he should do is look at the proposals that are being submitted to the Department, and produce an early timetable so that the public may know when decisions will be made, and so that friends in Local Works and others will know that an answer has been arrived at.

It would have been nice to have seen a timetable in the Bill, but I am not prepared to press the amendment, bearing in mind the circumstances today. I am not hostile to the idea and I understand why my hon. Friend the Member for Christchurch is cautious about allowing the Government too much leeway: they have used the present leeway to allow things to pile up and have not yet produced any answers, despite their good intent.

The rest of my hon. Friend's amendments were, I fear, designed to unseat the Bill, and I agree and support the arguments made by the Minister. There are aspects of the guidelines on how local authorities might consult that are not too onerous on them, and one or two are very important.

A specific aim of those who brought the idea of the Bill to me, when I was drawn sufficiently high up in the Members' ballot, was to include a reference to parish councils in the Bill, and, through that definition of parish councils, a reference to town councils. I have five town councils in my constituency, and some 54 parish councils. They are of immense importance in rural or semi-rural constituencies such as mine, and, as my hon. Friend was generous enough to acknowledge, parish councils are a firm part of the bedrock of our democracy. They very much wanted to be included formally in the Bill because, although we would like to think that local authorities always work as we would want them to—another regulation deals with how consultation might be carried out—it is not always the case.

My hon. Friend made a fair point about over-regulation. It is a point that he makes often, and his concerns are shared by many colleagues on this side of the House. However, at one and the same time, he wants a regulation to ensure that the Minister and the Department deal with things by a particular time, yet seeks to deny a regulation that would encourage authorities to consult in a particular way. My argument is that, occasionally, one wants regulation to do a particular job. In this case, encouraging active involvement with parish and town councils is exceptionally important, and I am pleased to see it in the Bill. Another regulation that is very important is getting authorities to try to find agreement with those who make proposals.

My final point on the amendments as a whole and on the Bill, in case there is no time for Third Reading, is that we have learned much in the past few years about the sense of unease and dissatisfaction outside this House with how the process of governance occasionally works. I believe that we in this place have all learned that we need to be as flexible as possible in responding to an ever better informed public. The inspiration for the original Act was the sense of frustration that people

felt as they saw their immediate environment change around them. They felt that they had no say over what was happening. Their concerns included worries about a ghost-town Britain in which the high street would change and local and rural facilities would be lost. It seemed that no one in power would accept responsibility, and that nothing could be done.

The Sustainable Communities Act arose out of that sense of frustration. Now that it has been passed, that sense of frustration has eased. People see that the different ways in which to engage the Government, their local authority and the community around them are good things that will not go away. Those of us on both sides of the House will have to learn to engage with that kind of community involvement far more than we used to in the past.

Yes, the bottom line for local authorities is a good, well-run Conservative local authority that will deliver better for the people than anything else. However, under the auspices of such authorities, close working with communities and the inspiration that has been triggered by the Sustainable Communities Act and by this little amendment Bill will do the process no harm.

I hope that my hon. Friend the Member for Christchurch will withdraw the amendment. His concerns are legitimate, but perhaps they have been eased by what the Minister and I have said. I hope that the amendment are either withdrawn or rejected by the House, because I believe that the Bill as it stands will do its job and be effective for communities for many years to come.

12.30 pm

Robert Neill (Bromley and Chislehurst) (Con): I echo that concluding passage because it encapsulates why the official Opposition support the Bill and hope that it will pass today. I hope that my hon. Friend the Member for Christchurch (Mr. Chope), having given the matter his usual, diligent scrutiny, will withdraw the amendment. I endorse the support for the outside bodies that gave rise to the Bill and for Ron Bailey and his colleagues in particular.

My hon. Friend raised legitimate points, but it is not necessary that the regulations under the Bill be interpreted by the Government in a prescriptive or onerous way. The Local Government Association's warning against that is legitimate. I assure him and my hon. Friend the Member for North-East Bedfordshire (Alistair Burt) that a Conservative Government would ensure that the regulations were interpreted in a proportionate and light-touch way and would put in place the timetable that he sought—whether it is in the Bill or not—because the principle behind it is important.

Mr. Cash: As an eminent lawyer, does my hon. Friend have doubts about the attempt to exclude the jurisdiction of the courts in judicial review with respect to the definition of who represents the interests of local authorities? It is very broad. Furthermore, apart from the exclusion point, proposed new section 5D provides extraordinarily wide powers for the Secretary of State or anybody else to add, subtract, alter and

"make different provision for different cases or for different purposes."

The width of those provisions is rather over the top. Does he agree that we should be careful about that?

Robert Neill: Like my hon. Friend, I might have drafted those provisions slightly differently, and I will make two points about that. First, my hon. Friend the Member for North-East Bedfordshire is right that one must be pragmatic about what can be achieved in the wash-up. My principal objective on behalf of the official Opposition is to see the Bill on the statute book. Secondly, even if that risk stands in the Bill, sensible approaches by Ministers can alleviate it. Were I and my hon. Friends in the shadow Communities and Local Government team in Government, we would listen carefully to the legitimate warning of my hon. Friend the Member for Stone (Mr. Cash) about how the legislation should be interpreted. It may be that there will be further legislative opportunities in due course to tighten areas of ambiguity. In that spirit, I hope he accepts that I would prefer to have the Bill on the statute book as it stands so that we have something to work with and can think about those details.

Time is short so I will trespass no longer on the details of the amendments. They have raised issues that have been responded to sensibly and pragmatically by my hon. Friend the Member for North-East Bedfordshire. I share his view that it is regrettable that the Government did not seize as fully as they might have done the opportunities in the original Bill promoted by my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd). None the less, this Bill is a step in the right direction and I am grateful that the Government have recognised that and supported it.

Lest we do not have time for a Third Reading debate, perhaps I can trespass upon your time, Mr. Deputy Speaker, to wish the Minister, as I did in Committee, every good fortune for the future. I am delighted to have the opportunity to do so on the Floor of the House. I have enjoyed being her shadow and hope that I am able to enjoy being a substance in due course. Whatever happens, we wish her well for the future because she has dealt with this and other matters with unfailing courtesy.

Mr. Colin Breed (South-East Cornwall) (LD): The Liberal Democrats fully support this modest but important Bill, as we supported the original Act. Twenty-six years ago, I was elected to a district council. We would not have needed such proposals then, but times have changed. In the intervening 26 years, not only has the way in which the electorate engages changed, but there has been over-centralisation of this place under both Labour and Conservative Administrations. That must now be addressed and the Bill does so partially.

I am leaving the House today but hope that, whatever Administration are elected, they take local government issues seriously. The life of people's towns and parishes in urban and rural areas is one of the most important things to them. The way in which they can engage will be assisted considerably by the original Act and the Bill. We want them to engage in the process and should not put up barriers to that by passing these amendments. There is a great deal of licence and flexibility, but the more that people can engage in the process and shape their own communities, and the more they recognise that they have a part to play and that things will not be directed by Government and Parliament, the more sustainable will be the communities in which we all live. I fully support the Bill and hope that the hon. Member for Christchurch (Mr. Chope) will withdraw the amendment.

Mr. Leigh: I support at least one of the amendments tabled by my hon. Friend the Member for Christchurch (Mr. Chope), namely amendment 5, which would require the Secretary of State to take action on each proposal within six months.

I mean no criticism of my hon. Friend the Member for North-East Bedfordshire (Alistair Burt), the movement or the Bill because it is no doubt entirely worthy. However, there is a regrettable tendency with legislation, particularly Back-Bench legislation, for grandstanding to take place and for worthy causes to be trumpeted by the Government when they could take action by other means. We already have an Act that was passed in 2007. The Government could have taken action, had they wanted to. We are now told that another Bill is necessary to make things more flexible so that action may be taken.

The House owes my hon. Friend the Member for Christchurch a service. But for him, such Bills would go through on the nod and with no proper scrutiny in the wash-up. The House listened carefully to his remarks on a series of amendments relating to proposed new section 5B(3). We are told that we have to make things more flexible, but subsection (3) will introduce all sorts of regulations that put more onerous burdens on local government. In a powerful point, my hon. Friend referred to the extraordinary paragraph (h), which states:

"Regulations under this section may, in particular, include provision…enabling the Secretary of State to specify one or more persons who must be consulted, and with whom the Secretary of State must try to reach agreement, before making a decision in relation to a proposal".

When I spoke on the Debt Relief (Developing Countries) Bill yesterday, I drew the House's attention to a clause that was gobbledegook and paragraph (h) is another example of that. It means nothing. The Secretary of State, in one of the most centralised states in the western world, can do what he or she wishes.

We are, willy-nilly, on a quiet Thursday morning, passing meaningless legislation that gives the Secretary of State powers that he already has. Why are we doing that? We are supporting a Bill not to achieve something, but to make a point. We all believe in sustainable communities and want local councillors to be given the powers and individual responsibility that they had many years ago. If the Bill will achieve that, I wish it well. In the meantime, I hope that my hon. Friend will at least press amendment 5, as it will put the Government on the spot. It says to the Government, "If you really believe in this, when you receive this proposal you should take action within six months." I hope that my hon. Friend will press the amendment to a Division so that we can make that powerful point.

Barbara Follett: In the few minutes that remain—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The Minister needs the leave of the House to speak again.

Mr. Chope: On a point of order, Mr. Deputy Speaker. The Minister has already spoken once. These are my amendments. Do I not have the right to reply before the Minister speaks again?

Mr. Deputy Speaker: I apologise to the House. I took the Chair during the debate and had not been able to appreciate the batting order that had been followed. I called the hon. Member for Gainsborough (Mr. Leigh) without being aware that the Minister had spoken earlier or that, although there had been Front-Bench contributions, she had asked to make further comments. I hope that within the three minutes that are left the Minister will, with the leave of the House, make a brief comment so that the hon. Member for Christchurch can conclude. I am sorry about that, but if the Minister will co-operate, I would appreciate it.

Barbara Follett: I understand, Mr. Deputy Speaker.

With the leave of the House, I would like to reiterate the flexibility that the Bill gives us to carry out this important work, and the fact that the amendments would reduce that flexibility and make that work more difficult.

Mr. Chope: May I thank everyone who has participated in this debate? I thank my hon. Friends the Members for North-East Bedfordshire (Alistair Burt) and for Gainsborough (Mr. Leigh) for their generous comments. I am not sure that they are well deserved, but there is something to be said for looking at these Bills in some detail, which is what we have been trying to do today.

I am grateful to my hon. Friend the Member for Gainsborough for what he said about amendment 5. Whether we trust the Government is a topical question at the moment. Yesterday we debated why we are not going to have the Back-Bench business committee. We trusted the Government and were let down. I propose to divide the House on amendment 5 because it will put pressure on the Government to come forward within six months with answers to the bids made, often with tremendous effort and time, by members of local communities. I beg to ask leave to withdraw amendment 1.

Amendment, by leave, withdrawn.

Clause 2

NEW PROCEDURE FOR PROPOSALS UNDER SUSTAINABLE COMMUNITIES ACT 2007

Amendment proposed: 5, in page 2, line 15, at end insert

'within six months of receiving such a proposal.'.—*(Mr. Chope.)*

Question put, that the amendment be made.

The House divided: Ayes 1, Noes 212.

Division No. 133] **[12.42 pm**

AYES

Winterton, Ann

Tellers for the Ayes:
Mr. Christopher Chope and
Mr. Edward Leigh

NOES

Allen, Mr. Graham
Amess, Mr. David
Anderson, Mr. David
Atkinson, Mr. Peter
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Baldry, Tony
Barker, Gregory
Barrett, John
Barron, rh Mr. Kevin
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benn, rh Hilary
Benton, Mr. Joe
Betts, Mr. Clive
Blunkett, rh Mr. David
Bottomley, Peter
Bradshaw, rh Mr. Ben
Breed, Mr. Colin
Browne, rh Des
Bryant, Chris
Burns, Mr. Simon

Burt, Alistair
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Chapman, Ben
Clapham, Mr. Michael
Clwyd, rh Ann
Coaker, Mr. Vernon
Cohen, Harry
Conway, Derek
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cormack, Sir Patrick
Cousins, Jim
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Duddridge, James
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Etherington, Bill
Fabricant, Michael
Follett, Barbara
Foster, Mr. Don
Francis, Dr. Hywel
Gardiner, Barry
Garnier, Mr. Edward
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibb, Mr. Nick
Goggins, rh Paul
Goodman, Helen
Greening, Justine
Grieve, Mr. Dominic
Griffiths, Nigel
Grogan, Mr. John
Hall, Mr. Mike
Hamilton, Mr. David
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Hanson, rh Mr. David
Harper, Mr. Mark
Harris, Dr. Evan
Havard, Mr. Dai
Healey, rh John
Hendry, Charles
Hepburn, Mr. Stephen
Herbert, Nick
Hesford, Stephen
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hopkins, Kelvin
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howells, rh Dr. Kim
Hughes, rh Beverley
Hughes, Simon
Humble, Mrs. Joan
Hurd, Mr. Nick
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
Jenkin, Mr. Bernard
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Laing, Mrs. Eleanor
Lammy, rh Mr. David
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
Mackinlay, Andrew
Marsden, Mr. Gordon
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonnell, John
McFadden, rh Mr. Pat
McIntosh, Miss Anne
McKechin, Ann
McLoughlin, rh Mr. Patrick
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Naysmith, Dr. Doug
Neill, Robert
Newmark, Mr. Brooks
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Ottaway, Richard
Pearson, Ian
Pelling, Mr. Andrew
Pope, Mr. Greg
Prentice, Bridget
Primarolo, rh Dawn
Purchase, Mr. Ken
Purnell, rh James
Randall, Mr. John
Raynsford, rh Mr. Nick
Robathan, Mr. Andrew
Robertson, John
Ruddock, Joan
Russell, Bob
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Southworth, Helen
Spellar, rh Mr. John
Stoate, Dr. Howard
Straw, rh Mr. Jack
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Mr. Ian
Taylor, Dr. Richard
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Twigg, Derek
Walker, Mr. Charles
Waltho, Lynda
Watkinson, Angela
Watts, Mr. Dave
Wicks, rh Malcolm
Wiggin, Bill
Williams, rh Mr. Alan
Williams, Mrs. Betty
Willis, Mr. Phil
Wills, rh Mr. Michael
Winnick, Mr. David
Winterton, Sir Nicholas
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Young, rh Sir George

Tellers for the Noes:
Mrs. Sharon Hodgson and Lyn Brown

Question accordingly negatived.

12.52 pm

More than one hour having elapsed since the commencement of proceedings on consideration, the proceedings were interrupted (Order, 7 April).

The Deputy Speaker put forthwith the Question necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

Question, That the Bill be read the Third time, *put and agreed to.*

Bill accordingly read the Third time, and passed.

Constitutional Reform and Governance Bill

Consideration of Lords amendments

12.53 pm

Mr. Deputy Speaker (Sir Alan Haselhurst): We come to Lords amendments to the Constitutional Reform and Governance Bill, which have been received and printed. A grouping is also available. Under the order of the House of yesterday they may be considered forthwith without any Question put. I draw the attention of the House to the fact that financial privileges are involved in Lords amendments 37, 41, 42, 44, 46, 48 and 67 to 69. If the House agrees to any of the amendments, I shall ensure that the appropriate entry is made in the *Journal*.

The Secretary of State has tabled a manuscript amendment that is consequential to Lords amendment 20, which leaves out clause 57. Copies are available in the Vote Office. The amendment has been selected and placed in the group led by Lords amendment 16.

Clause 3

MANAGEMENT OF THE CIVIL SERVICE

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I beg to move, That this House agrees with Lords amendment 1.

Mr. Deputy Speaker: With this, it will be convenient to discuss Lords amendments 2 to 5, 34 to 38, 58, 67 to 70, 73 and 80.

Mr. Straw: It might be helpful if I begin by explaining to the House the conclusion that was reached in the other place last night. As colleagues of some antiquity will appreciate, the wash-up, by definition, inevitably involves a compression of the legislative process, and business can get through only by agreement. In their lordships' House, that agreement requires not only a majority vote but widespread consent across the Chamber. We were faced with a situation where a number of Back-Bench Members had tabled amendments to delete every single clause. As a consequence, we were faced with difficult but inevitable choices that involved discussions with those Members, party leaders and the leader of the Cross-Bench group to arrive at an accommodation.

Sir Alan Beith (Berwick-upon-Tweed) (LD): It would have been better if the Secretary of State had initiated discussions with all those parties, rather than launching into an agreement with one party alone, which then came unstuck yesterday in the Lords.

Mr. Straw: The right hon. Gentleman is of even greater antiquity than me and he will know that there is a great deal of inter-party discussion all the time. For as long as he and I have been in the House, formal negotiations during the wash-up have taken place between the official Opposition and the Government of the day, but there was no suggestion whatsoever that the Liberal Democrats should be excluded from that process, and I do not believe that the conclusion would have been any different. We will come in due course to the removal of clauses in part 3 relating to a referendum on the voting system, and of clause 53 relating to the ending of by-elections for hereditary peers. We were in exactly the same place as the Liberal Democrats, but the official Opposition were not. The simple truth, which would have been the case had all three parties been formally in the room, is that during the wash-up, the Opposition have a veto. That is always the case—I was party to wash-ups when in opposition. It is straightforward. That is the reality and there is nothing one can do about it.

The choice we faced, which would have been the same for the hon. and learned Member for Beaconsfield (Mr. Grieve) had he been in my seat, was that we should not make the best the enemy of the good. We would not have got any part of the Bill through had we not been able to reach an accommodation, and, because of external realities, I do not believe that the result would have been any different had there been earlier discussions. As hon. Members will know, we offered the Conservatives what I thought was a good way of squaring the circle in their opposition to the alternative vote and to Liberal Democrat and Government support for it. We said that we would introduce measures and were ready to table amendments that would subject that part of the Bill to an automatic sunset clause. The clause would have stayed on the statute book and, if within six months the Government of the day had taken no action, it would have fallen. If the Government had introduced affirmative resolutions in each House, the legislation would have come into force. We offered that to the Conservative party, but it decided for its own reasons that that was unacceptable.

Mr. William Cash (Stone) (Con) *rose—*

Mr. Straw: I will give way in a moment. We therefore had no alternative but to withdraw the provision, and I am not giving anything away if I say that we will undertake to reintroduce it as soon as we are re-elected, as I hope we shall be.

Mr. Cash: On referendums on reform, does the Minister for Justice accept that, historically, the Liberal Democrats—Lloyd George, for example—or indeed any other party were in favour of proportional representation when it suited them and went into reverse when it did not? At its heart, that has little to do with the sense of fairness that they try to generate and much more to do with whether they can secure political advantage at any given time.

1 pm

Mr. Straw: May I bring to the House's attention an almost historic first for the hon. Gentleman, for whom I have great affection? This is the only occasion I can recall when he has not brought the European Union into an observation on any issue whatsoever.

David Howarth (Cambridge) (LD): But Europe has PR.

Mr. Straw: Indeed, Europe has PR too.

It is a matter of historical record that until late 1923 the Labour party was the third party, and was in favour of proportional representation. The Liberal party—as it then was—which was the first or second party, was in favour of first past the post. In 1924, Pauline conversions both ways took place. The Labour party suddenly decided that it saw every merit in first past the post, and the Liberals, who slipped into third position, where they have remained ever since, were suddenly in favour of proportional representation—interesting conversions! However, although the alternative vote is an improvement to the system we have, it is not proportional representation.

I greatly regret the fact that we have had to remove certain aspects of the Bill, particularly on the alternative vote and the removal of hereditary peers. To accommodate the Conservative party, we offered an arrangement by which all existing hereditaries would in addition be deemed life peers, and a provision whereby, on the death of a hereditary-cum-life peer, the leader of a party or group—this mainly applies to the Conservative party—would have a right to nominate a replacement. There was, therefore, no question of any gratuitous reduction in their numbers. That, however, was not considered acceptable.

Given the constraints on each party, I thank the hon. and learned Member for Beaconsfield (Mr. Grieve) and his colleagues for the constructive discussions that were held, and place on record my appreciation of the co-operation of the leaders of the three parties, the Cross-Bench groups and a number of individuals—Members and peers—with whom I met and talked all through last night.

The first group of Lords amendments is on the public service. We got the civil service changes through, which was very important. Lord Norton of Louth tabled a series of amendments. I accepted amendment 1, and did my best to accept the others where possible. The amendment sets out that in managing the civil service,

"the Minister for the Civil Service shall have regard to the need to ensure that civil servants who advise Ministers are aware of the constitutional significance of Parliament and of the conventions governing the relationship between Parliament and Her Majesty's Government."

I told Lord Norton that I strongly support the amendment. He has found a wording that meets the need. A striking feature of my 35 years of contact with officials and of working in government in the '70s is that the number of officials who understand and appreciate what happens here has gone down. We have to reverse that, and the amendment is an important way of doing so.

Other changes remove chapter 3, on Civil Service Commissioners for Northern Ireland, and chapter 4 on Crown employment and nationality. I appreciate that there is some concern about that, but we could not achieve it.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Will the Minister explain whether "could not achieve it" means just that the Conservatives did not want it? As I understand it, the Minister said that a deal has to be done and they have a veto. Will he explain that in each case, because the public probably would want to know what the issue was?

Mr. Straw: The hon. and learned Member for Beaconsfield can speak for himself, but I have no information whatsoever that the official Opposition opposed the clauses.

Mr. Dominic Grieve (Beaconsfield) Con: *Indicated assent.*

Mr. Straw: And he confirms that.

The other place is very different. It might be attached to this building, but in other respects it is a different planet, as I have discovered, and I was further educated all of yesterday and in the small hours of this morning. The parties can do whatever they want, and we agreed, but as there are no rules of order in the other place, which is absolutely remarkable, a number of people on both sides who were described to me as "mavericks"—I would not use such a pejorative word—could not be prevented from saying that they would dig in and would talk on the matter, and a whole series of other things, until 4 or 5 am. Unless we had a broad consensus on every single item by external negotiation, including with the outriders, we were not going to get anything through. That is the difficulty.

Lords amendments 67 to 70 are consequential on removing part 10. Amendment 73 is also consequential, and a further amendment removes the clauses relating to the national audit. I am very sorry, as I know everybody is, about having to remove the national audit provisions. I deeply regret that, but otherwise we would not have had any Bill at all. I pledge that we will bring the provisions back if we are re-elected.

Dr. Evan Harris: I think that the Minister glossed over a bit because he went straight from Crown employment to later provisions. As a member of the Joint Committee on Human Rights, I am particularly interested in what happened to part 7. We thought we had a deal on demonstrations in the vicinity of Parliament, because it was not acceptable to leave in that provision. Again, I am interested to know whether it was the Conservatives—or a maverick who may or may not have been a Conservative—who required that to come out.

Mr. Straw: No, it was not the Conservatives. If the hon. Gentleman reads the debates, he will see that Lord Trefgarne in an opening speech said that he was willing only for certain provisions of the Bill to go through, and that otherwise he would filibuster it. He is a Conservative, but I do not suggest for one second that he is under the control of the Conservative Whips. Lord Stoddart was once a member of the Labour party, but has not been for many years, and he is certainly not under the control of the Labour Whips. They said that the only provisions that they were willing to accept were those relating to the civil service—chapter 1 of part 1—part 4, part 6, and the Baroness Gardner clause, clause 87. In the event, we were able to persuade those lordships and some others that other aspects of the Bill should also be included. The negotiation was, therefore, a relative success, and we shall come on to those aspects in a moment.

Mr. Grieve: I thank the Secretary of State for his approach to the issue in the wash-up.

I start by providing some reassurance for the hon. Member for Oxford, West and Abingdon (Dr. Harris). The position is very clear. When the process started, the Secretary of State approached me and asked for my views and those of the official Opposition on what might remain in the Bill. We worked together very amicably to narrow the areas of difference. As I have no doubt that the Secretary of State will be willing to confirm, I pointed out to him at the outset that my own information coming down from the other place was that whatever we agreed would almost certainly not be sufficient to meet the objections of some of their lordships. I am, I hope, a parliamentarian as well as a politician and, as far as I am concerned, a perfectly valid case had been made. This is a constitutional Bill of sufficient importance that it had to be taken on the Floor of this House. In those circumstances, any hon. Member who criticises a Member of the House of Lords for obstructing a

[Mr. Dominic Grieve]

constitutional measure that their lordships were being asked to pass within a very small number of hours, without proper consideration, is on shaky ground. The fact is that their lordships were entitled to say that they did not want the Bill at all. I think that if a sufficient number of them had felt that that was the position, the Bill would have fallen in its entirety.

The Secretary of State and I—and, I suspect, everyone in this House—agree that some clauses are of such importance and so desirable that they should be put on the statute book before the election and that everything possible should be done to try to facilitate that. In fairness to Members of the other place, I should point out that it was clear that most of them accepted that some of the proposed reforms needed to be enacted. I am thinking particularly of those that deal with the Independent Parliamentary Standards Authority, with the treatment of non-domiciled peers and Members of the House of Commons and with the civil service—the latter largely non-contentious reform was hugely desired. We have all done our best to put this measure in reasonable order.

I am sorry if the hon. Member for Oxford, West and Abingdon is disappointed. I am disappointed about one or two things that have come out of the Bill, but I will certainly not say a word of criticism about the way in which it was handled at the other end of this building, because their lordships were fully entitled to take the view that they did.

Mr. Cash: May I say how glad I and, I am sure, many of my hon. Friends are to note that the provisions relating to the referendum on voting systems and electoral law have been disposed of? I regard that as a triumph and I am extremely glad to be able to congratulate my hon. and learned Friend on that.

Mr. Grieve: I am most grateful to my hon. Friend. On that provision, I can probably take either the blame or the credit, but at any rate I think that I did have some part to play in ensuring its disappearance. If the hon. Member for Oxford, West and Abingdon is disappointed, that is just tough.

I do not want to take up too much of the House's time. These amendments are acceptable. I do not want to repeat all the arguments that the Secretary of State made. There is in effect only one new amendment, proposed by Lord Norton of Louth, which seems to us a substantial improvement and will helpfully clarify the role of the civil service and the need to respect Parliament in its work. We are happy to welcome that amendment. We obviously accept the amendments that delete certain aspects of the Bill, because we recognise that in view of the way in which the Bill has been handled and the fact that it has come to a premature end without full consideration, Members of the other place are fully entitled to adopt the view that they do not want the provisions to go on the statute book.

David Howarth: The way in which the Bill has been handled throughout has been catastrophic. The Government delayed the Committee stage in this House, randomly extended it and failed to secure the Bill in the House of Lords, for which they are entirely to blame. Especially on items such as the referendum clauses, the question that occurs to Opposition Members is: did the Government ever intend this to be anything but a political manoeuvre that would inevitably end in an announcement by the Prime Minister of one of his famous dividing lines, rather than a serious attempt to change the electoral system through a referendum? I very much doubt whether the Government were ever serious about that. That throws into grave doubt their seriousness about this issue. They made the promise in 1997 and they are making it again this year, and it has the same validity this year as it did then.

There is also a serious point about the relationship between this House and the other place. As Lord Campbell-Savours pointed out, the House of Lords was quite content to leave in the IPSA aspects of the Bill, because they concerned this House. Surely the same applies to the referendum clauses, which relate to the voting system for this House. I do not think that the way in which Members of the House of Commons are elected has anything to do with the House of Lords.

The other things that have gone from the Bill are equally catastrophic. The House of Lords reform aspects of the Bill throw into doubt the commitment of the whole of Parliament to the reform of Parliament and the return to high standards in public life. That is surely the most serious part, for the reputation of politics, of the wash-up process.

1.15 pm

From the point of view of my party especially, the failure to reform the law on protests surrounding this place is catastrophic. The Prime Minister promised, virtually on his first day in office, to change the law, but he has failed to deliver.

Dr. Evan Harris: I am glad that my hon. Friend makes that point, because other legislative vehicles that have received Royal Assent could have been used. The Government said, "Oh no. Don't worry. We have this Bill. That will do it. We have time." Then, because of the delay that my hon. Friend identified, they wilfully reneged on the promise to repeal the provision, which they could have introduced in another way, as we and the Joint Committee have argued.

David Howarth: That is a very good point. I noticed that yesterday the Crime and Security Bill went through the other place without having to be sent back to this place. That Bill could have been used for the same purpose, but was not. That is a catastrophe as well.

It seems to me that the process of wash-up is washed up. Front Benchers of the larger parties should reflect on the way in which they colluded, got it wrong and ended up with this disaster.

Mr. Grieve: I resent the hon. Gentleman's implication. There was no collusion. I was asked for my opinion on what we might reasonably accept and I expressed a view, which I was entitled to do. Some of the things that have come out had nothing to do with me. The hon. Gentleman is a good parliamentarian as well. He will have to recognise what happens when the Bill process runs into the sand; that is, I suppose, the fault of the Government. I can assure him that it is not my fault. I do not know about blaming the Government. Far from

e being taken by surprise by what happened in the ser place, it was, as I said, entirely predictable. Indeed, old the Secretary of State that I believed that it was ctly what would happen.

David Howarth *rose—*

Mr. Deputy Speaker: Order. May I say to the hon. mber for Cambridge (David Howarth) that we do t want to enlarge the debate any further by going into h matters as he has just alluded to, because there are groups of amendments yet to be reached and 37 minutes ?

David Howarth: Thank you, Mr. Deputy Speaker. I s tempted along that route by the Secretary of State's ening remarks, which were more general. I shall end s part of my remarks by saying that we were excluded m the process and therefore have no loyalty to it.

I regret that the amendments include the removal of Crown employment nationality provisions. The hon. mber for Hendon (Mr. Dismore) has worked for ars to get those provisions this close to the statute ok. He cannot be here today, but I am sure that he uld express that regret himself were he present. He s support from hon. Members on both sides of the use, and I am sure that if Lords Trefgarne and ddart had understood anything about that aspect of Bill, which they appear not to have done, they would ve recognised its merit as well.

Dr. Evan Harris: Again, the Government could have ogrammed the private Member's Bill concerned as a nd-alone Bill. The Government made a conscious cision not to provide time despite the fact that business s collapsed early day after day in the last few weeks—leed, the last few months. Therefore, every one of se failures—the hon. and learned Member for aconsfield (Mr. Grieve) is being too generous—can laid at the door of a Government who do not care ough about some of the measures that they claim to nt, because they could have dealt with them in other way.

David Howarth: My hon. Friend is entirely right. Do have just another political manoeuvre, whereby the overnment appear to be in favour of something without tually doing it? I regret wasting the time of a large mber of hon. Members, which need not have happened. I approve of other amendments in the group that ing in new material. The amendment moved by Lord rton of Louth seems to be sensible—the loyalty of e civil service to the House as well as to the Government mportant constitutionally. I am sure that the measure ll have important long-term consequences; as a nstitutional change, it strikes me as just as important all the things that have been excluded from the Bill. terestingly, their lordships thought that that change ould be allowed.

Dr. Tony Wright (Cannock Chase) (Lab): The wash-up ocess in general leaves much about which to be dissatisfied d, one day, no doubt we shall turn our minds to that. sufficient scrutiny even of the parts of the Bill that main leaves much about which to be dissatisfied—major nendments to the civil service provisions were tabled t were never reached here or in the other place, yet e stray amendment has now found its way in. The amendment is sensible, but we never had a chance to look at all the other ones, which we could have discussed and might also have been sensible.

Mr. Grieve: I am interested in the hon. Gentleman's comments about the wash-up process being unsatisfactory. I am happy to talk to him informally at some point about how the process could be improved, but the stark reality is that we could argue for no wash-up at all: if legislation hits the buffers at the end of a Parliament, it should fall because it cannot be properly scrutinised. However, we would then lose the benefit of some important parts of the Bill that have been preserved.

Dr. Wright: The hon. and learned Gentleman anticipates my later remarks—the case for fresh thinking about what happens at the end of a Parliament. Should things endure at all, or should they simply fall and have to start again? The case for that is strong, and we have an obligation to review this period, because none of us feels happy about the outcome. I regret the loss of parts of the Bill that would have been valuable but, having said that, my main remarks are directed at the pleasure of having rescued the civil service provisions, for which some of us have been arguing for an awfully long time.

The Committee that I chair has reported endlessly on the civil service issue. In frustration, at one point we even drafted our own Bill—the first time that a Select Committee had done that, certainly in the modern period—but I had almost given up hope. The proposition was first advanced by Northcote and Trevelyan in the middle of the 19th century, so to be enacting it at the end of the first decade of the 21st century suggests that we have not been too premature in advancing the cause. However, we have got there, and we got there because we had what we did not have before. The change was previously held up by, first, the lack of political will and, secondly, a fear that it could not be done without provoking political disagreements. I speak with sincerity not only to my right hon. Friend the Secretary of State but to the Opposition that agreement was required for the change to happen. It has happened unsatisfactorily in many respects, but it has happened.

When the current electoral excitements abate, putting the civil service on the statutory footing that it ought to have been on for a long time and enshrining its values in legislation will be seen as a not-insignificant constitutional moment, widely welcomed by the civil service. I congratulate those who have enabled it to happen.

Mr. Cash: I understand Liberal Democrat concerns about reform of the voting and electoral systems. I have already made my position clear, and I am sure that many other people throughout the country, as well as on our Benches, would concur with dispensing with those provisions—I congratulate my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) on his efforts.

A number of other matters occur to me as we look at the final stages of the Bill. I very much agree with the sentiments expressed by the hon. Member for Cannock Chase (Dr. Wright), because he and I and a number of others have worked extremely diligently on reform of the House. I agree that the wash-up process needs to be looked at properly for the future. Some of what was done—for example, with the Finance Bill—struck me

[Mr. Cash]

as not a good way to legislate: not one Member of the governing party attended debate on the Finance Bill, except perhaps one who came in for only a few minutes. As I said, the birds have flown but people who are about to vote in the general election are saddled with the consequences of the taxation and public expenditure implications of the Finance Bill. Therefore, the wash-up raises many issues.

The Wright Committee proposals—other than those on the chairmanship and membership of Select Committees—have effectively been ditched and betrayed. They could have been included in the Bill.

Sir Alan Beith: Does the hon. Gentleman foresee that when a distinguished Committee—chaired by someone perhaps not as talented as the hon. Member for Cannock Chase (Dr. Wright)—comes to a set of conclusions at an equivalent time in the next Parliament, we shall discover that the necessary motions to implement those conclusions were lost in the wash-up?

Mr. Cash *rose—*

Mr. Deputy Speaker: Order. I do not want to be seen as picking on the hon. Member for Stone (Mr. Cash) unduly, because the debate has been very wide ranging—it started with an expansive speech by the Secretary of State, so I understand the temptation to comment. However, I have a duty to the House to keep within the rules of order. Specific groups are down for debate, so it would be helpful in making some progress if hon. Members respected that fact.

Mr. Cash: I shall gladly follow that suggestion, Mr. Deputy Speaker. I refer in particular, therefore, to the civil service reforms. One or two things were not included—for example, it is a great pity that the rules relating to evidence before Select Committees have not been tackled. They might be more a matter of convention and of Standing Orders, but when we require civil servants to carry out their duties with integrity, honesty, objectivity and impartiality, the fact that special advisers are not required to carry out their duties with objectivity or impartiality is relevant. That might be a statement of the obvious, but sometimes special advisers and their political functions create difficulties. Similarly, in the House, although we engage in political activities, as part of our duties we must deal with some matters with a degree of objectivity and impartiality; that is no less the case for special advisers, because questions of integrity, honesty, objectivity and impartiality all rather tend to merge into one another. It is a pity that some matters have been differentiated in that way.

No one in the debate has dwelt on the question of the House of Lords. I simply say, "Here we go again." I commented on the questions of proportional representation, the alternative vote and electoral reform. I accept what the Secretary of State said about alternative votes not being the same as proportional representation in a precise sense, but all such questions are to do with fiddling with the mechanism and the feeling of the choice of the person who goes into a polling booth—or does not do so—to exercise his freedom of choice. Playing around with that is very dangerous and the reason for retaining the existing system is inviolate; it should be kept. It is about the essence of an individual's choice and that should not be reallocated according to a system of shuffling.

1.30 pm

My party has been committed to the idea of an elected House of Lords, although I notice that those issues have now been put on the back burner. We have been talking about the matter since the mid-19th century; a certain relation of mine by the name of John Bright was calling for the abolition of the House of Lords even in those days. I am not sure that I would call for its abolition, because it does a fantastically good job, but I have serious doubts about whether it can continue without being elected. I am sorry that the relevant provisions have gone. I have no doubt that the mavericks who were referred to earlier were among those who were determined to maintain the House of Lords in its present state—much as I want to pay tribute to the incredibly hard work that it did. When I was in the shadow Cabinet I found that those people did amazing amounts of hard work. However, the question is about more than that: it is a matter of principle.

On the subject of treaties, I do not think that clause 24 should be exclusively devoted to the question of ratification. Consent is the issue and therefore the clause should be about treaties being laid before Parliament before consent. It is consent that really matters, and ratification is a much more complex question, which I do not intend to go into now, although I took up the issue when I took the Foreign Secretary to judicial review over ratification of the Lisbon treaty, so I feel strongly about it.

The general point on which I want to conclude is that there is far too much government, and the Bill retains far too much of the presidential nature of the direction in which our governmental system is going. The Bill deals with important matters, but there is a need for much deeper radical reform of the connection between the Government, Parliament and the voter than it contains. I would not want to dismiss it, but it does not grapple with the real question at the heart of what the hon. Member for Cannock Chase, as Chairman of the Select Committee on Reform of the House of Commons, and the significant number of hon. Members on both sides of the House who are here first as parliamentarians, know is going wrong: the disconnection between Parliament and the people on the question not just of allowances, but of the manner in which the Government impose their will. I spoke about that in the debate on the effectiveness of Parliament in Westminster Hall yesterday. The Bill does not deal properly with those questions and we must amend the Standing Orders to restrain the extent to which the Government have control over what happens. The Back-Bench and House Committees, and the reassertion of the rights of Back Benchers—

Mr. Deputy Speaker: Order. I am reluctant at heart to have to interrupt the hon. Gentleman again, but he is allowing himself to get away from my strictures.

Mr. Cash: I am glad to take note of that point, Mr. Deputy Speaker, and I shall not transgress again, but I wanted to get that on the record.

I feel strongly that we are moving into a new phase of politics, with all the Facebooks, Twitters and the rest. The question of disconnection remains important, but I congratulate my hon. and learned Friend the Member for Beaconsfield on the extent to which we have made progress in removing some of the more objectionable things from the Bill. I just do not think that that has gone far enough.

Mr. Straw: With the leave of the House, I would like to thank all hon. Members for their observations and to speak briefly in tribute to my hon. Friend the Member for Cannock Chase (Dr. Wright). This will be his last day in this House. He has been a paradigm of the best of the Members of this House who have shown that it is possible, by assiduity and imagination, to be profoundly influential from the Back Benches, on either side. Much of his work, particularly in chairing the Public Administration Committee, is reflected in the Bill and in other legislation. He will recall, as I do, an extraordinary evening more than 10 years ago at the Report stage of the Freedom of Information Act 2000, when he and I and many others had an open discussion that resulted in a much improved Act.

My hon. Friend made an important observation, which I accept, about the unsatisfactory nature of the wash-up process. There is not much that he can do about the fact that the process will be compressed, but yesterday in the other place my noble Friend Lord Rooker said that

"there would be a case for institutionalising that this House—jointly preferably ...—should systematically say that an ad hoc committee of the House should look and monitor the wash-up package after six months and 18 months." —[*Official Report, House of Lords*, 7 April 2010; Vol. 718, c. 1483.]

He made other, further suggestions about that. My noble Friend Lord Bach endorsed that from the Front Bench, and I endorse it too. I hope that that has the approbation of the other parties and that we shall look carefully at how the wash-up has happened, and the improvements we can make.

Lords amendment 1 agreed to.

Lords amendments 2 to 5 agreed to.

After Clause 27

Explanatory Memoranda

Mr. Straw: I beg to move, That this House agrees with Lords amendment 6.

The amendment relates to the treaty provisions of the Bill. I am glad that we managed to persuade some of the outliers that they should be included. The amendment was moved in the other place by Lord Norton of Louth. It puts a commitment on the face of the Bill that where a treaty is laid before the House there is to be an explanatory memorandum. That would have happened anyway, but I am very happy to accept the amendment so that now it must happen.

Mr. Cash: Does the right hon. Gentleman agree, or have any sympathy with, my general proposition that in fact the question of consent is more important than ratification?

Mr. Straw: There are two stages to the coming into force of a treaty. One is the signature and the second is ratification. I do not quite know what the hon. Gentleman means by consent. The signing of the treaty must be undertaken by the state party at the time when the treaty is agreed. I have been the signatory to a number of treaties and I cannot think of any process by which it would be possible to consult the hon. Gentleman and others before making the Executive decision to sign it.

Mr. Cash *rose—*

Mr. Straw: If I may just complete this point: that is always subject to ratification. I felt, as Foreign Secretary, that it was wrong that the Executive alone should ultimately decide on ratification; it should be a matter for this place. That is why I pursued the matter as Foreign Secretary and when I had an opportunity I wanted to get it on the statute book, in this place. The hon. Gentleman's consent to ratification on all treaties—not just EU ones—will now be required.

Mr. Cash: I am grateful for that suggestion. I am quite sure that it will not happen, particularly in relation to European treaties. However, the key point is that in relation to consent the question of signature, rather than just ratification, should come before Parliament.

Mr. Straw: That is for a longer and separate debate.

Mr. Grieve: I welcome amendment 6. I suppose that it shows what can be achieved when minds are concentrated wonderfully. Certainly, Lord Norton of Louth was able to secure some significant and interesting changes to the Bill in the course of an evening.

It is plainly desirable that there should be an explanatory memorandum. I take the Secretary of State's point that it might have been provided anyway. However, I recall that this issue has arisen on a number of occasions and that it has often been pointed out how desirable it would be, if the Government are laying legislation before the House, which can sometimes be quite technical in nature, that there should be an opportunity before the debate starts for a full explanation to be provided about how the legislation or treaty will impact.

For those reasons, I am very happy to support the amendment.

David Howarth: We on the Liberal Democrat Benches are content with the amendment.

Lords amendment 6 agreed to.

Clause 29

Referendum on voting systems

Mr. Straw: I beg to move, That this House agrees with Lords amendment 7.

Mr. Deputy Speaker: With this, it will be convenient to consider Lords amendments 8 to 15, 50 to 52, 55, 57, 74 and 75.

Mr. Straw: These amendments relate to the removal from the Bill of the provisions in part 3 for a referendum on voting systems and to some consequential removals in clauses 88, 89 and so on.

As we have discussed at some length the reasons why the Government very reluctantly but inevitably had to agree to the removal of these provisions, I will not detain the House.

Dr. Evan Harris: There is a feeling of déjà vu. Labour's earlier commitment to electoral reform—in the 1997 manifesto—has been mentioned. The Secretary of State will know that Lord Jenkins did a huge amount of work on that issue. I do not think that Lord Jenkins would have been happy with the way that the Government refused to live up to their manifesto commitment to hold a referendum on a choice between the status quo and what he had come up with. Has the Secretary of State had a chance in the intervening years to reflect on whether the Government can defend what they did in respect of that manifesto commitment, given that this amendment will probably be in another manifesto?

Mr. Straw: My reflection is as follows, since I was the Minister responsible for sponsoring the Jenkins review and for bringing it back to the House. The problem that we faced was that there was no consensus whatsoever—no consensus in my party and opposition from the Conservatives—for the proposals from Lord Jenkins and his colleagues. The judgment that we therefore made was that a referendum would be lost. I am not in any doubt that it would have been lost, because the whole of the Conservative party and most of the Labour party would have opposed those proposals.

Do I have a regret about that? Frankly, I am slightly fed up with being told that we broke a referendum commitment—we did not, if the terms of the manifesto are read properly. In some respects I do have a regret, because if we had had a referendum it would have been lost overwhelmingly—that was absolutely clear—and we could have moved on and that would have stopped those on the Liberal Democrat Benches from whingeing. But it would probably have been quite an expensive way of doing that.

Mr. Grieve: As I indicated earlier, I must claim some responsibility for the fact that the clause has been removed. I will briefly set out the reasons for that.

The clause was introduced at the very last minute in the passage of the Bill through this House and—picking up on the point made by the hon. Member for Oxford, West and Abingdon (Dr. Harris)—it was my view and that of my hon. Friends that the proposal for a referendum was in the nature of an electoral stunt by the Government. The hon. Gentleman said that this matter goes back to 1997; for all I know, it goes back even earlier. I fear that his party has been the victim on numerous occasions of electoral stunts on the alternative vote by the Government and that it has been given tantalising promises which I hazard to suggest will never materialise.

My party did not think very much of these proposals for a referendum, all the more so—I make this point strongly—because it was proposed that we enact a provision that would come into effect in a completely new Parliament without any opportunity for that new Parliament to consider whether it agreed. Even if the complexion of the Parliament changed completely but the Government remained in office, it would have been possible to hold the referendum, notwithstanding the fact that a majority of this House might well consider it unnecessary and undesirable. For those reasons, we think that it was an ill-judged proposal.

1.45 pm

We have indicated, and will no doubt debate during the election campaign, ways of improving the electoral system in this country. My party has some very clear ideas about reducing the size of this House and evening out the size of constituencies so as to make the first-past-the-post system work more fairly and more effectively. We intend to proceed with that and we will have an opportunity to debate it with the electorate and, indeed, the other parties during the campaign. We objected to the proposals, and in the circumstances nobody should be surprised by the fact that, when we were asked during the wash-up negotiations whether we considered them acceptable, we said, as we had done throughout the passage of the Bill, that we considered them to be an electoral stunt and did not wish them to be in a constitutional Bill of this nature.

David Howarth: The timing of this discussion is quite extraordinary. The day after the Prime Minister announced a programme that appears to include a referendum on electoral reform, the Government will have to troop through the Lobby to oppose that very policy. It seems to be a pattern that the Labour party proposes something to get a few votes, and when it has those votes it suddenly forgets about its commitments. Now the Lord Chancellor says that we have to read the Labour manifesto very carefully. As I am going back to the university of Cambridge to teach private law, which involves the close reading of documents, I suppose that my skills will come in handy in the next few weeks.

The timing of this discussion is extraordinary for another reason. I think that out in the country people are slowly starting to realise how extraordinary our voting system is, given that there is a prospect of a party gaining more votes than other parties but losing the election in terms of seats. I think that the public mood about the electoral system is just starting to change, but at precisely that point this House is to remove provision for a commitment to a referendum on changing that electoral system.

Dr. Evan Harris: Was my hon. Friend struck, as I was, by the assertion by the hon. and learned Member for Beaconsfield (Mr. Grieve) that the current first-past-the-post electoral system can be made fairer by changing constituency sizes and making them more equal? To cite the words of David Mitchell in a recent column in *The Observer*, is not the process of trying to make this electoral system fairer like throwing a slice of ham into the Grand Canyon to make it more of a sandwich?

David Howarth: That is a very good metaphor. In fact, that proposal combined with the other Conservative proposal to reduce the number of Members of Parliament would make the existing system even less proportionate.

Mrs. Eleanor Laing (Epping Forest) (Con): Surely the hon. Gentleman agrees that a system in which every vote is of equal value, because there is the same number of potential voters in each constituency, would be much fairer than the present system.

David Howarth: I am all in favour of making the electoral system fairer. That is why I oppose the amendment, because the only way to make the first-past-the-post system fairer is by abolishing it and replacing it with a better system.

I concede that, as the Secretary of State said, the AV system is not necessarily proportionate. I prefer the single transferable vote system, which is proportionate, and we have debated that in this House. Nevertheless, the system proposed by the Secretary of State is preferential and therefore marginally better than first past the post and a step in the right direction.

The Minister of State, Ministry of Justice (Mr. Michael Wills): I am grateful for that. Does the hon. Gentleman agree, however, that when we talk about fairness it is essential to remember that there are 3.5 million people who cannot vote, even though they are eligible, because they are not registered? Whenever the Conservatives talk about redrawing boundaries, they always ignore the point that it is simply not possible to do that fairly until everyone who is eligible to vote is registered to vote. Without that, it is just gerrymandering.

David Howarth: I agree with the Minister. The idea that fiddling with boundaries based on out-of-date information can make the first-past-the-post system fairer is absurd. The only way to get a fair electoral system is to have a more proportionate system. The first virtue of a representative body, such as the House of Commons, is that it represents the political views of the people of the country. This body does not do that; in that respect, it is as bad as the pre-1832 Parliament.

Mr. Grieve: I am sorry to interrupt the hon. Gentleman, but from talking to some of his colleagues I had understood that they do not want the alternative vote and saw it merely as a device for breaking down the current first-past-the-post system so that we can move on to something else. Is that the case? One thing is certain: the alternative vote system is not a proportional representation system.

David Howarth: The hon. and learned Gentleman is right; it is a jemmy in the door, which we intend at some stage to use. I give way for the final time.

Mr. Cash: Did the hon. Gentleman hear the interesting piece on the "Today" programme during which John Curtice and a number of others were quoted on the fact that the Conservative party is at a grave disadvantage in the current system? It is loaded against us, and yet we are concerned to maintain first past the post precisely because it is about an individual in the polling booth exercising their freedom of choice, which will not be reshuffled by a lot of artificial mechanisms.

David Howarth: The Conservatives support the system for the obvious reason that occasionally, and in some decades for very long periods, it gives them absolute power. They prefer a system that gives them absolute power, which they exchange with the Labour party now and then, to a system that is fair to all electors.

Mr. Straw: Does the hon. Gentleman also accept that it is simply untrue that there is as large a bias in the current system as has been claimed? I refer him to an important article in the Royal Statistical Society magazine, *Significance*, by Mr. Nick Moon, a leading psephologist. He pointed out that at times the system has been "biased" in favour of the Conservative party, "biased" in favour of nobody or "biased" in favour of the Labour party. The size of constituencies always starts equal; under-registration in urban areas, differential turnout and changes in population, such as depopulation, lie behind the apparent arithmetic from the Conservative party.

David Howarth: I accept that there is all sorts of interesting research on first past the post, but all this seems to be entirely missing the point that first past the post can never be fair or proportionate, is always biased in one direction or another and is capable of producing illegitimate results.

Mr. Graham Allen (Nottingham, North) (Lab) *rose—*

David Howarth: This really is the last intervention.

Mr. Allen: This intervention allows me to pass on my best wishes to the hon. Gentleman and to congratulate him on his strong contributions in this field over many years. We will miss him.

If the House were composed differently, could we have had a debate in the Chamber about the war-making powers of the House versus those of the Executive? That matter was covered in the Bill, but has been dropped from it. I would like him to comment on that and on the balance in the House. Perhaps the Secretary of State will pick up the same issue in his remarks.

David Howarth: The answer is yes, and that would also apply to the reforms of this place itself. Changing the electoral system is important for democracy throughout our system—

1.54 pm

One hour having elapsed since the commencement of proceedings on consideration of Lords amendments, the debate was interrupted (Order, 7 April).

The Deputy Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83F). That this House agrees with Lords amendment 7.

The House divided: Ayes 176, Noes 18.

Division No. 134] **[1.54 pm**

AYES

Allen, Mr. Graham	Cash, Mr. William
Amess, Mr. David	Chapman, Ben
Anderson, Janet	Chope, Mr. Christopher
Austin, John	Clapham, Mr. Michael
Bailey, Mr. Adrian	Clwyd, rh Ann
Bain, Mr. William	Coaker, Mr. Vernon
Baird, Vera	Cohen, Harry
Barron, rh Mr. Kevin	Cooper, Rosie
Battle, rh John	Cooper, rh Yvette
Beckett, rh Margaret	Corbyn, Jeremy
Bellingham, Mr. Henry	Cunningham, Mr. Jim
Benton, Mr. Joe	Davidson, Mr. Ian
Betts, Mr. Clive	Dean, Mrs. Janet
Blackman, Liz	Dobbin, Jim
Blunkett, rh Mr. David	Dobson, rh Frank
Bottomley, Peter	Doran, Mr. Frank
Brady, Mr. Graham	Dowd, Jim
Brown, Lyn	Duddridge, James
Browne, rh Des	Eagle, Maria
Bryant, Chris	Elman, Mrs. Louise
Burgon, Colin	Etherington, Bill
Cabom, rh Mr. Richard	Fabricant, Michael
Cairns, David	Fitzpatrick, Jim
Campbell, Mr. Alan	Follett, Barbara

Francis, Dr. Hywel
Francois, Mr. Mark
Gardiner, Barry
Garnier, Mr. Edward
Gerrard, Mr. Neil
Gibb, Mr. Nick
Goggins, rh Paul
Goodman, Helen
Grieve, Mr. Dominic
Griffiths, Nigel
Grogan, Mr. John
Hall, Mr. Mike
Hammond, Stephen
Hands, Mr. Greg
Hanson, rh Mr. David
Harper, Mr. Mark
Havard, Mr. Dai
Healey, rh John
Hendry, Charles
Hepburn, Mr. Stephen
Herbert, Nick
Hesford, Stephen
Hewitt, rh Ms Patricia
Hoban, Mr. Mark
Hopkins, Kelvin
Horam, Mr. John
Howard, rh Mr. Michael
Howell, John
Howells, rh Dr. Kim
Hughes, rh Beverley
Humble, Mrs. Joan
Hurd, Mr. Nick
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jenkin, Mr. Bernard
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Martyn
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lammy, rh Mr. David
Laxton, Mr. Bob
Leigh, Mr. Edward
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lilley, rh Mr. Peter
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
Maclean, rh David
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McDonnell, John
McIntosh, Miss Anne
McKechin, Ann
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miller, Andrew
Mole, Chris
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Naysmith, Dr. Doug
Neill, Robert
Newmark, Mr. Brooks
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Pearson, Ian
Pope, Mr. Greg
Prentice, Bridget
Purchase, Mr. Ken
Purnell, rh James
Randall, Mr. John
Rayrisford, rh Mr. Nick
Reid, rh John
Robathan, Mr. Andrew
Robertson, John
Ruddock, Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Simon, Mr. Siôn
Smith, John
Southworth, Helen
Spellar, rh Mr. John
Steen, Mr. Anthony
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Sutcliffe, Mr. Gerry
Tami, Mark
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Todd, Mr. Mark
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Tyrie, Mr. Andrew
Walker, Mr. Charles
Watkinson, Angela
Watts, Mr. Dave
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Winnick, Mr. David
Winterton, Ann
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Young, rh Sir George

Tellers for the Ayes:
Mrs. Sharon Hodgson and Kerry McCarthy

NOES

Beith, rh Sir Alan
Cable, Dr. Vincent
Cousins, Jim
Foster, Mr. Don
Hancock, Mr. Mike
Harris, Dr. Evan
Howarth, David
Hughes, Simon
Jackson, Glenda
Jones, Lynne
Keetch, Mr. Paul
McDonnell, John
Mitchell, Mr. Austin
Pelling, Mr. Andrew
Russell, Bob
Simpson, Alan
Taylor, Matthew
Willis, Mr. Phil

Tellers for the Noes:
Mr. Colin Breed and John Barrett

Question accordingly agreed to.

Lords amendment 7 agreed to.

The Deputy Speaker put forthwith the Question necessary for the disposal of the business to be concluded at that time (Standing Order No. 83F).

Question put, That the remaining Lords amendments be agreed to.

The House divided: Ayes 170, Noes 12.

Division No. 135] **[2.6 pm**

AYES

Allen, Mr. Graham
Amess, Mr. David
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Bellingham, Mr. Henry
Benton, Mr. Joe
Betts, Mr. Clive
Blackman, Liz
Bottomley, Peter
Brady, Mr. Graham
Brennan, Kevin
Browne, rh Des
Bryant, Chris
Burgon, Colin
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Cash, Mr. William
Chapman, Ben
Chope, Mr. Christopher
Clapham, Mr. Michael
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coaker, Mr. Vernon
Cohen, Harry
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Cunningham, Mr. Jim
Davidson, Mr. Ian
Dean, Mrs. Janet
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Dorrell, rh Mr. Stephen
Dowd, Jim
Duddridge, James
Eagle, Maria
Ellman, Mrs. Louise
Etherington, Bill
Fabricant, Michael
Fitzpatrick, Jim
Follett, Barbara
Francis, Dr. Hywel
Francois, Mr. Mark
Gardiner, Barry
Garnier, Mr. Edward
Gerrard, Mr. Neil
Gibb, Mr. Nick
Goggins, rh Paul
Goodman, Helen
Grieve, Mr. Dominic
Griffiths, Nigel
Grogan, Mr. John
Hall, Mr. Mike
Hammond, Stephen
Hands, Mr. Greg
Hanson, rh Mr. David
Harper, Mr. Mark
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hendry, Charles
Hepburn, Mr. Stephen
Herbert, Nick
Hesford, Stephen
Hewitt, rh Ms Patricia
Hoban, Mr. Mark
Hodgson, Mrs. Sharon
Hopkins, Kelvin
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hughes, rh Beverley
Humble, Mrs. Joan
Hurd, Mr. Nick
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
Jenkin, Mr. Bernard
Johnson, Ms Diana R.
Jones, Helen
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lammy, rh Mr. David
Laxton, Mr. Bob
Lepper, David
Levitt, Tom

Lewis, Mr. Ivan
Lilley, rh Mr. Peter
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
Mackinlay, Andrew
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McIntosh, Miss Anne
McKechin, Ann
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morgan, Julie
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Naysmith, Dr. Doug
Neill, Robert
Newmark, Mr. Brooks
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Pearson, Ian
Pope, Mr. Greg
Prentice, Bridget
Purchase, Mr. Ken
Purnell, rh James
Randall, Mr. John
Raynsford, rh Mr. Nick
Robathan, Mr. Andrew
Robertson, John
Ruddock, Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Simon, Mr. Siôn
Southworth, Helen
Spellar, rh Mr. John
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Sutcliffe, Mr. Gerry
Tami, Mark
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Todd, Mr. Mark
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Tyrie, Mr. Andrew
Walker, Mr. Charles
Watkinson, Angela
Watts, Mr. Dave
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Winnick, Mr. David
Winterton, Ann
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Lyn Brown and Kerry McCarthy

NOES

Beith, rh Sir Alan
Cable, Dr. Vincent
Foster, Mr. Don
Hancock, Mr. Mike
Harris, Dr. Evan
Howarth, David
Hughes, Simon
Keetch, Mr. Paul
Pelling, Mr. Andrew
Russell, Bob
Taylor, Matthew
Willis, Mr. Phil

Tellers for the Noes:
Mr. Colin Breed and Mr. John Barrett

Question accordingly agreed to.

Remaining Lords amendments agreed to, with Commons financial privilege waived in respect of Lords amendments 37, 41, 42, 44, 46, 48 and 67 to 69.

Consequential amendment (a) made.

Mr. Allen: On a point of order, Mr. Deputy Speaker. After the Iraq war, many Members became very interested in the balance between the Executive and the legislature and in whether Parliament had a role to play, at least through being consulted or retrospectively endorsing a decision to go to war. In the pre-legislative stage of the Constitutional Reform and Governance Bill, there were draft provisions for how that might happen. Is it in order to ask you what happened to those provisions and why they were not debated when we considered the Bill or in the wash-up?

Mr. Deputy Speaker: It is just about in order to ask me, but I haven't a clue. Nor would the Chair be expected to have a clue on such a matter. In ordinary circumstances, the Chair's advice would probably be that the hon. Gentleman would find other ways of pursuing the matter, but the Chair knows on this occasion that the chances of that are dwindling rapidly. I have no doubt that he will bear it in mind for a future occasion.

Mr. Allen: Thank you.

Mr. Deputy Speaker: I really am sorry not to be able to be more helpful to the hon. Gentleman.

Children, Schools and Families Bill

Consideration of Lords amendments

Mr. Deputy Speaker (Sir Alan Haselhurst): Lords amendments to the Children, Schools and Families Bill have been received and printed. Under the order of the House of yesterday, they may be considered forthwith, without Question put.

Clause 1

PUPIL AND PARENT GUARANTEES

2.16 pm

The Minister for Schools and Learners (Mr. Vernon Coaker): I beg to move, That this House agrees with Lords amendment 1.

Mr. Deputy Speaker: With this we may take Lords amendments 2 to 24.

Mr. Coaker: With a heavy heart, in order to secure provisions on special educational needs and alternative provision, we had to drop some clauses, which I think had broad support out there, particularly the guarantee that children falling behind in English and maths would get one-to-one tuition. Frankly, I think that parents and teachers will be astonished at the insistence of the Conservative party and others that the provision be dropped.

We have also had to postpone plans for changes to the primary curriculum, which had huge support among heads and teachers—moves to a curriculum based on the Rose review, with areas of learning that the vast majority of schools and teachers warmly welcomed.

Mr. William Cash (Stone) (Con): The Minister will recall that I asked the Secretary of State about a question that I put to him, and which the Minister answered, on education results in Staffordshire compared with those in the rest of England. I was told at the time in a written answer that finding out could be done only at disproportionate cost. When I raised that with the Secretary of State, he said I would get an answer before Dissolution. The clock has ticked almost to the point at which it is clear I will not get the answer. Does the Minister accept that I was asking a legitimate question, to which I should have an answer, as the Secretary of State said?

Mr. Coaker: The hon. Gentleman always asks legitimate questions. As Parliament has not yet dissolved, even at this late stage it would be courteous to look into that, and I shall do so after the debate and write to him. He may not get the answer he wants, but I will write with an explanation in any case, as it would be discourteous not to do so.

We have also had to withdraw provisions on personal, social and health education because Opposition Members insisted on retaining a parental right of withdrawal up to the age of 16 in respect of sex and relationships education.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): I am sure that, like me, my hon. Friend does not believe that we live in a broken society, but does he agree that without education on alcohol, tobacco, drugs, finance and individual safety, as well as on sex and relationships, we will again be heading for the kind of broken society we experienced back in the 1980s?

Mr. Coaker: My hon. Friend has a lot of experience in this matter, both politically in the work she does in Sheffield and beyond, and from her previous professional role in which she saw the importance of the type of education we were seeking to introduce through the Bill. Much of the education to which my hon. Friend refers does take place in primary and secondary schools, but we were trying to ensure that there was statutory provision for it. That would go some way towards tackling the variability in the quality of provision between different schools and different areas. I agree very much with my hon. Friend that a lot of things need to be done to tackle some of the challenges our society faces. Although neither of us would accept the term "broken society", there are challenges in some areas, and a whole raft of different policies is needed in order to deal with them, one of which is the provision of proper education of this kind from an early age in our schools, working alongside parents, not instead of them. That would help to address some of these particularly difficult problems.

Mr. Graham Allen (Nottingham, North) (Lab): Will my hon. Friend put it on record that it was in fact the Conservative party that refused to allow the provisions on PSHE—or life skills, as I prefer to call it—to be included in the Bill? Further, does he agree that the people who will suffer from basic emotional and social skills not being in the curriculum will not be those who go to expensive private schools, or even high attaining schools, but pupils in constituencies such as mine—poorer places where generally there is not high educational achievement? They are the people who most need this to be in the national curriculum, rather than merely being something that it is nice to have. Will my hon. Friend put on record who is responsible for this not being in the Bill?

Mr. Coaker: My hon. Friend, who represents Nottingham, North, is right: we were unable to come to an agreement through the usual channels about the age at which parents had a right to withdraw their children from sex and relationships education, and as a result the Conservative Front-Bench team felt unable to agree with us on these provisions. As I will make clear in a moment, we were therefore unable to proceed with them in the Bill.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): Is it not the case that clause 14 deals with the withdrawal of children from lessons, whereas the Minister's two party colleagues are talking about clause 11? Why did the Minister withdraw clause 11 when we were, in fact, disputing clause 14?

Mr. Coaker: As the hon. Gentleman will know because he reads very carefully on these matters, the issues are intertwined. It is not possible to separate them, as he seeks to do in order to try to defend his party's policy—about which it is receiving significant criticism—of blocking what most people think is a very important and significant reform.

Mr. Allen: I am sorry to persevere on this question, but this is a classic case of the baby being thrown out with the bath water—of the life skills baby being thrown out with the sex education bath water. If we could separate these issues, even at this very late stage, would it not lead to our ensuring that every child in this country who needs proper life skilling will be able to get it when they require it in the national curriculum? Even at this late stage, will my hon. Friend discuss the matter with the Opposition and seek a sensible way forward, instead of our having this criminal waste of parliamentary time, and the consequent damage that will be done to thousands upon thousands of children, such as those in my constituency?

Mr. Coaker: My hon. Friend has been a great campaigner for this type of early intervention and work in schools, whether we call it PSHE or, as he prefers, life skills. The legal advice I have received is that it is not possible to do what he wants, however. We have spent a long time talking to others to see whether we can find a way forward, but it was not possible to do so. Therefore, with much regret, we find ourselves in the current situation. I hope that after the next election we will be in a position to return to this issue and ensure that we secure the statutory provision that both my hon. Friend and I want.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The hon. Gentleman should be aware of the 12th report of 2009-10 of the Joint Committee on Human Rights. It was written after the Government tabled an amendment on the measure in question, which the Committee viewed as follows:

"a provision which expressly subjects principles of accuracy, balance, pluralism, equality and diversity to the right of faith schools to teach sex and relationships education in a way that reflects the school's religious character, in the context of a Bill which makes the teaching of sex and relationships education in schools mandatory, is incompatible on its face with the ECHR. It expressly denies children at faith schools their right to an accurate, balanced, pluralistic education under the first sentence of Article 2 Protocol 1."

In fact, therefore, it seems that what has been lost was incompatible with the human rights of children not to be harassed and discriminated against, if, for instance, they come from same sex-parent households.

Mr. Coaker: It is not often that I say this, but I totally disagree with the hon. Gentleman's point; indeed, his own Front-Bench team will not, I think, support him. The relevant clause talks about the principles that have to be pursued in respect of PSHE, including providing accurate and balanced information, endeavouring to promote equality and encouraging acceptance of diversity. As the hon. Gentleman knows, at present faith schools are under no obligation to ensure that PSHE is taught in that way. To support his own argument, he says we will have faith schools all over the country promoting all sorts of values and ideas that many would regard as inappropriate. Of course they will be able to teach in a way that is consistent with the values of their school, but for the first time they will also be required, by legislation, to ensure that alternative points of view are put as well. The balance and accuracy the hon. Gentleman seeks are therefore included in the legislation, and the Bill will ensure that that happens.

Dr. Harris: My Liberal Democrat colleagues strongly opposed clause 11's proposed new section 85B(8) to the Education Act 2002, which says of all the stuff about equality and diversity:

"Subsections (4) to (7) are not to be read as preventing the governing body or head teacher of a school within subsection (9) from causing or allowing PSHE to be taught in a way that reflects the school's religious character."

The JCHR looked into, corresponded on and got legal advice about that, and it came to the unanimous view that it will mean that the assurances the Minister just read out are meaningless in the context of the schools in question, and that it will create the potential for homophobic teaching to be mandatory.

Mr. Coaker: Even at this late stage, it is quite strong to say that the legislation will make the teaching of homophobia mandatory. If the hon. Gentleman reflects on that statement, he may think that it is not the most appropriate thing to say about what will happen in faith schools, many of which teach PSHE.

Dr. Harris *rose*—

Mr. Coaker: We have an hour for this debate, and many other hon. Members want to contribute. I will take another intervention and that is it, because the issue has been debated long and hard in Committee. I do not agree with the statement that the Bill is incompatible with the European convention on human rights. The opposite is true: the principles in the Bill will mean—this is quite proper—that a faith school can teach PSHE in a way that is appropriate to its values and principles, but for the first time it must also teach that there are alternatives and to put that fact before a class. Quite frankly, that is what all good schools and all good teachers have always done, and I am sure that is what the hon. Member for Harrogate and Knaresborough (Mr. Willis) will have done when he was a head teacher and taught in a school.

2.30 pm

Dr. Harris: I am grateful to the Minister for allowing me to intervene again. I am putting the view of the JCHR, which was established by Parliament to give such advice. The Minister can say that he is not interested in it or that he disagrees with it. That is his right, but he must know that some, not all, faith schools wish to teach that homosexuality is sinful. I believe that the place for such teaching is in religious education classes, not in sex education classes. The Bill will allow some faith schools to teach that in sex education classes. That is where I and the Joint Committee disagree with him—indeed, the Liberal Democrats made it clear that we disagree. Such things should be put in religious education lessons.

Mr. Coaker: As I say, for the first time there will be a requirement to teach that there are alternative views.

The Conservatives have blocked the proposal and stopped it proceeding. English and European case law do not support a continuing opt-out to the age of 16. In introducing the Bill, Ministers must sign an undertaking that it is ECHR compliant. If the right of withdrawal had been set at 16, no such undertaking could have been signed. We were therefore advised that, legally, all clauses relating to PSHE had to be withdrawn.

[Mr. Coaker]

We hope that we can bring these matters back before Parliament in the near future, along with other measures that we have had to remove from the Bill, such as toughening home-school agreements, home education and the ability to collect data for the new school report card. However, as I said at the beginning, it is important to retain certain elements of the Bill, such as those on special needs and alternative provision. To that end, the Government support the Lords amendments.

There are now clear dividing lines between us on education. In the weeks to come, we will seek a fresh mandate to continue our work of investing in schools and providing opportunity for all pupils everywhere, irrespective of their ability, and we will expose the threat posed by the Conservative party, with its free schools, free market policy and immediate cuts to school funding. We will oppose that and ensure that the British public are aware of it as well.

Mr. Gibb: I thank the Minister for the concessions that he has made, which will remove clauses that posed a direct threat to the professional autonomy of teachers and that would have heaped mounds of bureaucracy on to teachers and head teachers and threatened the rights of parents to withdraw their children from sex education and to educate their children at home.

The first element of this bureaucratic Bill, which we are happy to oppose, is a series of excessively prescriptive pupil and parent guarantees. Scores of guarantees were set out in the appendix to the White Paper and in a consultation document, with 38 tick boxes for teachers and more time taken away from the classroom. For example, guarantee 2.2 states that:

"the curriculum is tailored to every child's needs so that every pupil receives the support they need to secure good literacy, numeracy and ICT skills, learn another language and about the humanities, science, technology and the arts."

But given that 16 per cent. of 11-year-olds do not reach level 4 in English and 9 per cent. of boys leave primary school without even reaching any grade in the English key stage 2 standard assessment tests, that leaves scope for huge amounts of litigation.

The key to raising standards is not to pass a law guaranteeing things, but to understand the reasons for underperformance and to address them. If passing a law guaranteeing outcomes was the answer, we could cure world hunger and all known diseases this afternoon in the House. The key to raising standards in our schools is not through bureaucracy, but through greater freedom for professionals and by expanding the academy programme, with academy providers such as Absolute Return for Kids and the Harris Federation encouraged to establish more schools in some of the most deprived parts of the country.

These clauses would have piled additional bureaucracy on to teachers and head teachers and exposed them to the threat of expensive and time-consuming legal action. John Dunford from the Association of School and College Leaders said that those guarantees

"will take statute into realms it has never previously covered. Instead of the increasingly diverse system that the Government has often said that it wants to encourage, England will have one of the most centrally prescriptive systems in the world...School leaders are extremely concerned that these 'guarantees' will turn into a whingers' charter".

We wholeheartedly agree with ASCL's concerns and are therefore pleased that the Government have abandoned those clauses.

On one-to-one tuition, which the Minister touched on, we also strongly believe that it is needed for children who are falling behind, and we support that approach—that is what good schools do—but best practice is not spread by passing a law prescribing a whole raft of centrally crafted guarantees that people would then seek to enforce. We need to get away from such micro-prescription and give professionals and schools the autonomy that they need to flourish as professionals. That is how to raise standards. The Secretary of State is keen on his dividing lines in politics—I do not blame the Minister—but we believe that education policy should not be designed to be used as a tool in party politics. Education policy is about ensuring that we have the right landscape to enable schools to provide the highest quality of education for our children.

On home-school agreements, it is right to abandon clauses 4 and 5, which would have created bespoke, individualised home-school agreements, negotiated for each child and each parent in a school and rewritten annually. We believe in strengthening home-school agreements, but not in turning them into a bureaucratic nightmare for head teachers. The Government's proposals faced widespread opposition. For example, ASCL called the idea "unrealistic" and pointed out that

"such a proposal will be wholly impractical in secondary schools, which may have over 1,000 pupils, and will consume a great deal of school resource."

Again, that is our view exactly, and we are pleased to see those clauses go.

On areas of learning, the proposed changes to the primary curriculum—with the introduction of six highly prescriptive areas of learning, each with voluminous programmes of study, each of which has a multitude of objectives—is anything but flexible. The English programme of study alone has 84 objectives. Maths has 76. Clause 10 would have been a major misstep, and we are happy to see it fall as well.

The proposed introduction of personal, social, health and economic education was one of the most controversial aspects of the Bill. We have always strongly supported parents' rights to withdraw their children from sex and relationships lessons, and we have refused to compromise in upholding those rights. No one should ride roughshod over the rights of parents to bring up their children in the way they see fit. Ultimately, however small a minority wish to withdraw their children from such lessons, it should be up to the parent, rather than the Secretary of State and the Minister, to decide whether they want their children under 16 to attend lessons on sex and relationships.

Dr. Evan Harris: The opt-out already exists in religious education and collective worship, as the hon. Gentleman is aware, but case law now shows that when children become competent to make up their own minds, it is an infringement of their rights for parents to withdraw them, or not to withdraw them, from collective worship—for example, compulsory prayer. Under his logic, should parents who feel passionately about the origins of the universe and believe in young-earth creationism have the right to withdraw their children from biology lessons, for example, for the reasons that he gives?

Mr. Gibb: Parents have a right to withdraw their children from schools and to home-educate their children, which is another right that the Bill would infringe. I do not believe that creationism should be in the school science curriculum—the hon. Gentleman is right about that—but parents ultimately have the right to educate their children at home if they wish.

As a result of our continued opposition to clause 14, the Government have chosen to withdraw all four clauses that relate to PSHE. We would have been happy to discuss PSHE being part of the curriculum, and we are therefore extremely surprised that the Government have chosen to withdraw entirely all four clauses. If we are elected to form the next Government, the role of PSHE in the curriculum is an issue that we would address and consult on. As my noble Friend Baroness Perry said in another place last night:

"It would be almost impossible to find a secondary school, and very rare to find a primary school, that does not teach personal, social and health education."—[*Official Report, House of Lords*, 7 April 2010; Vol. 718, c. 1587.]

Mr. Coaker: Can the hon. Gentleman confirm that if the Conservatives were to form the next Government, the consultation on PSHE to which he referred would include the extension of the mandatory aspects of PSHE to academies?

Mr. Gibb: No, it would not apply to academies because the essence of an academy is that it would have the same rights as an independent school but would not be able to charge fees. Given that even the Government have not proposed extending the duties to independent schools, we consider our policy entirely consistent with that. I know the Government have extended the duties to academies. They have infringed the freedom of academies in many respects since the Secretary of State took his position, but we believe that academies should have the same status as independent schools.

Mr. Allen: Before the hon. Gentleman moves away from PSHE, or life skills, does he accept that the absence of a mandatory aspect, which will be lost in this ludicrous wash-up process, will above all damage a particular group of children—not those who come from well-educated middle class homes, like those of many hon. Members present, but those who may come from a one-parent family or a deprived area and lack the social and emotional ability to make the best of themselves and the best, therefore, of their education at primary and secondary school? Does he accept that whoever is responsible and however it happened, that failure of all of us here to make life skills a mandatory part of the national curriculum will impact badly on constituencies such as the one that I represent, and no doubt on areas in his constituency too?

Mr. Gibb: As my noble Friend said in another place last night, every secondary school has such lessons in the curriculum. We must be careful about how prescriptive we are about aspects of the curriculum. We were happy to allow clause 11 to go through. It is only advice that the Minister is receiving that is forcing him and the Government to withdraw, in a slightly petulant manner, all four of the PSHE clauses simply because we are so opposed to just one of them, clause 14.

The proposed licence to practise for teachers would have done nothing to raise standards and would have been an expensive and bureaucratic burden for hundreds of thousands of teachers. The Secretary of State's view, as set out in his letter to my hon. Friend the Member for Surrey Heath (Michael Gove) yesterday, is that

"the proposed licence to practise would have firmly established the professional standing of the workforce and provided teachers with the status they deserve".

That, though, is not the view of teachers. It is not the view of ASCL, it is not the view of the NASUWT. It is not the view of the NUT, which said that it

"can see no argument advanced by the Government which justifies the introduction of the licence to practise for teachers."

The NUT pointed out that

"in little over a month 17,500 teachers have completed a postcard or signed a petition to the Secretary of State to express their concern about the proposed licence to practise."

I suspect that that figure is significantly higher by now.

Christine Blower is quoted today as saying:

"We are delighted that the licence to practise has gone. It added nothing positive to teaching."

The General Teaching Council, which the Government wanted to administer the licence to practise, stated that

"it will be a challenge to develop a system which has sufficient rigour to make a positive impact on standards of practice, whilst remaining proportionate and not unduly burdensome for teachers, school leaders and schools".

Even the body charged with running the scheme is against it. If all the teacher unions are against it and as the Opposition are against it, we are pleased that the Government have backed down and are withdrawing the associated clauses, too.

2.45 pm

Finally, I am delighted that our sustained opposition to the Bill's draconian and excessive proposals to regulate home education has resulted in the Government's decision to abandon those clauses as well. We have always stressed that the choice to educate a child at home should belong solely and entirely to parents. As my hon. Friend the Member for Surrey Heath said on Second Reading:

"It is a basic right of parents to be able to educate their children in accordance with their own wishes, and to educate them at home if they so wish."—[*Official Report*, 11 January 2010; Vol. 503, c. 456.]

Home educators across the country will be extremely relieved to be spared compulsory registration and monitoring. As my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) correctly pointed out, there is a need for support for home-educating families, but only if the Government can

"work co-operatively and voluntarily with parents"—[*Official Report*, 23 February 2010; Vol. 506, c. 262.]

For now, it is enough that home-educating parents will not be subjected to the dictatorial provisions of the Bill. We can only hope that the hostility between local authorities and home educators, which the Government created with the publication of the Badman report and exacerbated during the passage of the Bill, does not rule out the possibility of creating a practicable and mutually acceptable working arrangement between home educators and local authorities in the future.

However, the 50,000 home educators in this country need to take heed of the final paragraph of the Secretary of State's letter to my hon. Friend, in which he states:

"I will be campaigning to ensure that this Government is returned and that these measures do make it on to the statute book in the first session of the new Parliament."

Labour is clearly committed to reintroducing the clauses on home education if it is re-elected.

The Bill would have entangled teachers, head teachers, pupils, parents, local authorities and school governors in unnecessary red tape, while doing nothing tangible to raise standards. We are glad that the Government have dropped so many of the Bill's clauses, and we look forward to a new Conservative education Bill in a new Parliament which would make the reforms so urgently needed to improve our education system for teachers, pupils and parents alike.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): It is rather fitting that the Minister, who is the hon. Member for Gedling, should be speaking across the Chamber for my last appearance in the House, and perhaps—who knows—it might even be his. I say that in a spirit of comradeship, because the hon. Gentleman has done his party and the education lobby a great deal of service over his time in the House and as a Minister. We have had many disagreements over that time, but the passion for education that we have both felt is important.

It saddened me that the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) said that if the Conservative party wins the next general election it will introduce an education Bill. My heart sank, because I dread to think what would be in such a Bill. I know that the hon. Gentleman was probably still at school when the Education Reform Act 1988 was brought in by his great forefathers. I remember the level of bureaucracy that surrounded the national curriculum. I am sure the hon. Gentleman knows that, because he is a colleague who devotes a great deal of time and thought to education—as well as having relatives who live in my constituency, so I have to say these things.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): Does the hon. Gentleman agree that the 1988 Act was a seminal moment in the bureaucracy of education, and that in many ways things have gone downhill since, in terms of what teachers, head teachers and local authorities have had to do in producing league tables, SATs results and a raft of unnecessary changes to the working day in schools?

Mr. Willis: The hon. Gentleman is right. We have shared many such comments over the past 13 years. However, two wrongs do not make a right. From 1997 to 2005 I served on every education Bill, and there were at least two a year during that time. I have to be honest to the House and say that they made precious little difference to the life chances of our children. That is what saddens me.

This Bill was supposed to be a flagship Bill. The hon. Member for Nottingham, North (Mr. Allen), who has now left his place, has been a passionate defender of the poorest children living in his constituency—some of the poorest children in our society. The fact that, in the death throes of this Government, he has to say that these matters have not been dealt with, and that to lose the Bill would be a tragedy is—if I may say so to the Minister—a condemnation of the fact that some of the essential elements of our dealing with some of our poorest communities and how we bring them up and give them the sorts of life chances that they deserve have been a failure, perhaps by all of us, but certainly a failure to live up to that pledge by Tony Blair to put "education, education, education" at the heart of the Government's programme.

That is enough of me remembering the past; we have a Bill in front of us. I am pleased that large sections of the Bill have been dropped—but not because I believe that some of the matters that it deals with do not need attention, particularly the sections dealing with the curriculum. The Rose committee made some quite remarkable suggestions on invigorating the primary curriculum, and I do not agree with the hon. Member for Bognor Regis and Littlehampton and his party that we do not need to look rigorously at that. There is no doubt that unless we have a far greater sense of purpose and attainment in the primary years, we will not do the job that we need to do for the children mentioned by the hon. Member for Nottingham, North and others like them throughout the country, including children like those I taught in east Leeds, some of whom were among the poorest in the nation.

That applies particularly to the work that Rose did in trying to ensure that mathematics was at the heart of the primary curriculum. Without good mathematics, many of those youngsters will have, frankly, no chance of accessing the modern post-recession economy, which will be vital in bringing them out of poverty and educational poverty. The link between education and the economy develops and drives everything—it is not magic—so I am sad that we have been unable to make progress.

Frankly, we did not need clauses 1 to 6 in the first place. They would have heaped yet more bureaucracy on to bureaucracy. We must liberate those brilliant head teachers, such as Phil Willis at John Smeaton community high school, who was a maverick—I have admitted that. As my last Ofsted report remarked, charging the inspectors for car parking was innovative on the part of our youngsters. They had an idea and a drive to investigate how the economy works.

As my noble Friend Baroness Walmsley remarked yesterday in the House of Lords, clauses 11 to 14 have rightly caused an awful lot of concern. Hon. Members on both sides of the House recognise the importance of PSHE and that introduction to economics. If I may say so, I find rather sad the excuse that the Minister has used—that the Bill draftsmen say that we cannot disentangle those measures—because there is clearly a problem with sex education. If we debated that for the next 100 years, there would still be a problem, because there are entrenched positions. My hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) has been absolutely courageous in defending sex education and the right of children to get a balanced view.

I strongly support the right of faiths to run schools in our society and to share with children in those schools the beliefs of those faiths—I cannot see anything wrong with that—but my hon. Friend is right to say that that should take place within a structure. Whether someone is running a Muslim, Roman Catholic or other faith school, they should be able to reflect their teaching according to those belief systems. However, it would be

wrong to give those people the legalised opportunity to tell the children in their schools that the lifestyle of the person living next door is somehow immoral. That is what we are talking about. I hope that whoever comes in after the next general election will revisit the matter, because it is too important to leave hanging in the air. In that way, there was a cop-out last night.

My last comment is on home education. There is a fundamental flaw in our thinking in this country—this was brought home in the debate with the home educators—that it is the state's job to educate our children. It is not; it is the parents' job. The Education Act 1944, and indeed Forster's great Act of 1870—an Act brought about by that great Bradford Member of Parliament—both state that it is the parents' duty to educate their children, and that the state acts as a convenient default mechanism when necessary, which most of us, myself included, have used.

We have heard examples of home-educated children being abused, but they are in a tiny minority. In such cases the idea of home education is often used as a cover for abuse—but in reality, the vast majority of people who educate their children at home do so because they believe that that is in the best interests of their children. The state should work with them, not create more barriers for them. I would never home-educate my children because I believe that home-educated children miss out on so much, but I will defend to the death the right of parents to work with their children in a home setting to deliver an education. I am therefore pleased that clauses 26 and 27 have been dropped.

All in all, as other hon. Members have said, this wash-up process is a rather sad and tawdry affair, and at the end of the day what is left of the Bill is probably not worth saving. However, if the Minister, being the man he is, assures me that it is, my party will not—

Mr. Coaker: I know it is not the hon. Gentleman's fault, but we amended one of the measures on alternative provision that has been retained in the Bill in the way that the hon. Member for Mid-Dorset and North Poole (Annette Brooke) wanted. She would want that to be retained, irrespective of anything else.

Mr. Willis: I was in fact about to conclude by saying that those parts of the Bill that do remain that have the support of my excellent colleagues, and the guidance of the Minister, make the Bill worth putting on the statute book at the last moment.

Mr. Christopher Chope (Christchurch) (Con): I congratulate my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb) on securing some really good changes to the Bill. It is rather late in the day, but he and the hon. Member for Surrey Heath (Michael Gove), the shadow Secretary of State, have spoken for so many people in this country who have written to Members of this House to express their concern about various aspects of the Bill, and most of those measures have been filleted out.

The way in which my hon. Friend the Member for Bognor Regis and Littlehampton set out succinctly and clearly the dividing lines on education policy between the Government and the Conservative party will be really useful in the forthcoming weeks of the campaign. He says that we stand for less prescription and interference, and for giving more responsibility and freedom to parents and professionals. The decision to remove the ludicrous home education proposals exemplifies the difference between the Government's approach and our approach.

Fortunately, the Government dreamt up most of these ridiculous proposals in their 12th year in office. Had they introduced them earlier, they could have got them on to the statute book, but they are not going to do so now. People will know that there is a big issue before them in the general election: if they vote for the Labour party, there is a risk that the proposals will be introduced again in future.

All hon. Members have received much correspondence on the PSHE elements of the Bill, and I am very pleased that clauses 11, 12, 13 and 14 are now out of it. Voluntarism is working very well, and when things work well, why should the state interfere? My only quibble with what was said by my hon. Friend the Member for Bognor Regis and Littlehampton concerns his implication that an incoming Conservative Government would reintroduce PSHE in a centralised curriculum. I believe that there is enough centralisation in the curriculum already. Given that schools are able to deliver PSHE perfectly well on the basis of acceptance of their own responsibility through governing bodies and parents, I hope that on reflection, an incoming Conservative Government will not meddle with PSHE, and will instead concentrate on our core requirements for better educated pupils who understand the basics of reading, writing and arithmetic.

3 pm

I am delighted that the Bill has been filleted so expertly, but I regret the amount of parliamentary time that has been taken up by the Government's proposals when it was obvious that they would never get them through. Many of them were amendments to the Education Act 2002. If the Government had really wanted them, they could have been tabled at that stage. This has been simply a lot of gesture politics for the benefit of those who are not satisfied with the extent of the bureaucracy and regulation that already exist in education, and want more bureaucracy and more regulation. The Government were pandering to those interests. Today, however, we have a Bill that constitutes a snub to those who have campaigned for all that extra regulation, and I am delighted with the progress that my hon. Friend has secured.

Mr. Coaker: With the leave of the House, Mr. Deputy Speaker, I should like to make a couple of comments.

It would be remiss of me not to pay tribute to the hon. Member for Harrogate and Knaresborough (Mr. Willis). Both of us have worked long and hard on a number of different issues. I pay tribute to the work that he has done, not only in respect of education but in respect of science and the importance of evidence-based policy making. I appeared before his Select Committee when I had ministerial responsibility for drugs education policy, and we had a fairly frank exchange of views, but I hope that that led to better policy.

I am pleased that my hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) is present. He served on the Committee, and observed that it was the first time he had served on a Bill Committee for a number of years. Although those who served on the

[Mr. Coaker]

Committee did not always agree with me, I think that that was an important finish to this part of my hon. Friend's career. He has always worked tirelessly in supporting state education and emphasising the importance of giving opportunities to all young people.

Let me deal with a couple of points that have been raised in the debate. We did not intend to oppose home education. We strongly support it and the right of people to educate their children at home. The clauses that have now been withdrawn drew attention to the need to know more precisely where children were. That was the point of the compulsory registration scheme. If people were to ask whether the state or local authorities knew where all young people were, the answer would sometimes be no, and I think that that raises important questions. We did not wish to end people's right to educate their children at home; we were merely suggesting that there should be a better understanding of what was going on.

Clause 11 specifies the content of PSHE, which includes sex and relationships education. Clause 13 amends SRE provisions. Clause 11 also makes PSHE part of the national curriculum. Clause 14 currently allows withdrawal from a subject that is not part of the national curriculum. We must therefore change the right of withdrawal in the clause as part of the package. I do not want to withdraw the PSHE clauses, but I have been told that it is simply impossible to separate the provisions. If the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) were in my place, he would have to take the legal advice that he was given. I can only hope that whoever is responsible for these matters in the next Parliament will return to the issue. The hon. Gentleman indicated that if he were to be the next Minister and were in my position, he would bring the clauses back. I know that his hon. Friend the Member for Christchurch (Mr. Chope) does not agree, but I think this is an important provision that we should not lose.

Our short debate has made clear the choices that will be before the country, and our different views on education. It is clear from what has been said by the hon. Member for Bognor Regis and Littlehampton that the Conservatives believe in a free market education philosophy. We believe in state education and a comprehensive education system, and the election will no doubt be fought on that along with a number of other important public policy issues.

Lords amendment 1 agreed to.

Lords amendments 2 to 34 agreed to.

Energy Bill

Consideration of Lords amendments

Clause 10

SCHEMES FOR REDUCING FUEL POVERTY: SUPPLEMENTARY

3.6 pm

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): I beg to move, That this House agrees with Lords amendment 1.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss Lords amendments 2 to 9.

Joan Ruddock: In its eighth report of the current Session, the Delegated Powers and Regulatory Reform Committee recommended several changes to the Bill in connection with the procedures whereby secondary legislation is made in part 2, which deals with social price support, and part 4, which sets out the general provisions of the Bill.

In respect of part 2, the Committee expressed concern about the breadth of the powers in clause 10(6), which enabled the regulations establishing a social price support scheme to include provision allowing the Secretary of State to disapply or modify the requirements of the scheme. It also recommended that the level of parliamentary scrutiny be increased in relation to changes in the definition of fuel poverty. In respect of part 4, the Committee recommended the removal of the discretion in clause 31(4) that the Secretary of State has, in certain cases, to choose the parliamentary procedure to which a statutory instrument is subject. We tabled amendments in the other place to address all the Committee's concerns.

Lords amendments 1 and 2 will constrain the circumstances in which the power in clause 10(6) may be used to disapply or modify any requirement of a social price support scheme. That will be done by requiring the circumstances in which the Secretary of State can use the power to be detailed in the scheme regulations made under clause 9. Regulations made under the clause are subject to the affirmative procedure. Lords amendment 3 requires the Secretary of State to inform Parliament of any changes made under clause 10(6) by laying a memorandum before Parliament detailing any such modifications.

We have also addressed the Committee's recommendation that any regulations seeking to change the definition of fuel poverty, or its extent, for the purposes of the Bill should be subject to the affirmative procedure. Lords amendments 5 and 6 replicate the definition in the Warm Homes and Energy Conservation Act 2000.

Lords amendments 7 and 8 make any regulations that seek to change the definition of fuel poverty or its extent in the Bill subject to the affirmative procedure, as recommended by the Committee. Lords amendment 4 ensures that any such regulations are subject to consultation in the same way as the schemes for reducing fuel poverty.

Lords amendment 9 removes the discretion in clause 31(4) for the Secretary of State, in certain circumstances, to choose the parliamentary procedure to which a statutory instrument is subject. We now consider that we no longer require that discretion, and are therefore content to accept the Committee's recommendation.

I hope that the House will feel able to agree to the Lords amendments.

Charles Hendry (Wealden) (Con): Let me begin by paying tribute to the Minister. There are many aspects of the Bill that we have not managed to get quite into the shape that we would have wished. However, she has constantly been courteous, thoughtful and constructive in all the exchanges and dealings that we have had with her, and she has genuinely tried to find common ground on some of the issues. That has not been possible in all areas, but I thank her for the approach that she has taken. With the hon. Member for Harrogate and Knaresborough (Mr. Willis) here too, I would like to pay tribute to the way in which he discussed the issues in Committee and to the thoughtful approach that he took to all our dealings.

The Lords amendments that we are discussing are relatively minor, although we must of course be cautious about any change in the definition of fuel poverty. There is an anxiety out there that what is being done might be an attempt to change the definition by stealth and to wriggle out of some of the commitments that have been made, with a recognition that the Government are way off track in trying to meet their legally binding commitments on tackling fuel poverty. There is an obligation on the Government to end fuel poverty for all vulnerable households by 2010 and to take all households out of fuel poverty by November 2016. We are clearly well off track for the 2010 target, which is a very challenging target indeed. I hope that the Government do not intend, through the measures that we are discussing, to try to find a way of changing the definition of fuel poverty so that they can meet those targets by stealth. I hope that the Minister will be able to give us some comfort on those concerns when she responds to this short debate.

I hope that the Minister can also clarify a little more what the techniques that we are debating can be used for, and therefore explain how broad their application might be. We want to understand the full implications of the changes that are being suggested. The first measure relates to fuel poverty, as we have said, but would other measures relating to fuel poverty similarly be covered? For example, we would like to see measures to require energy companies to say exactly how much a consumer would save if they were on a cheaper tariff. We would also like measures to say how we would make consumers aware of those cheaper tariffs and how they could switch. Could that be done through the orders that the Minister is putting forward today? We would also be keen to see measures to speed up the roll-out of smart meters and to say that this should be done not by 2020, which we think is a profoundly unambitious approach, but instead 2016. Could the measures that the Minister has outlined be used as a way to drive that work forward with greater speed and determination?

It is important that we should see the measures that we are discussing against the background of the Bill and the context in which they were discussed in the Lords. That relates in particular to what the Minister sees as the Government's strategic role under the Bill and, therefore, the amendments that we are discussing. On carbon capture and storage, there is a strategic case for the Government requiring oversize pipelines to be put in place, so that we can develop clusters of CCS development around the country. We would be grateful if she could clarify what the Government's views are on such a strategic overview.

It would also be interesting to hear the Minister's views on the Government's strategic approach to the development of an offshore grid and what they should be doing to secure it. We are well aware that there is a disagreement between the Government and ourselves about whether that should be mandated, with a requirement to put in place high-voltage DC cabling down the coast, in respect of which we see the Government as having a strategic role, and we are keen to ensure that they similarly have a strategic vision for what they would like to see done in this area.

The proposals that we are discussing are modest changes that are being made for clear legal reasons. It is a shame, as we on the Conservative Benches would all recognise, that the changes made in the Lords have gone nothing like as far as we would have wished. We are very disappointed indeed that the Government did not use the opportunity in the Lords to go further and make this a more fundamentally ambitious and important Bill. It should have included measures on energy efficiency and rolling out a green deal, so that people could have energy efficiency devices installed in their homes in a way that enabled them to enjoy the benefits of that work before they started paying for the costs. The Bill should also have included measures on an emissions performance standard that would require all newly built electricity generation to cut emissions. It should have included measures to reform the climate change levy, so that it became a genuine charge on carbon, rather than another tax on business—an issue that has been so relevant in the discussions more generally this week. The Bill should also have looked at ways of introducing real incentives, so that communities that host wind farms can benefit financially from those schemes.

3.15 pm

The Bill does important things, but it could have been improved and it could have done a great deal more. We welcome some of the concessions that the Minister has made, most importantly in being prepared to extend the roll-out of the carbon capture and storage schemes that can benefit from the new levy to include those developed using gas and biomass, which is an important achievement. However, as with so many other aspects of legislation, the Bill represents unfinished business. It is one of a number of Energy Bills that we have seen in the past 13 years, but it still does not measure up to the scale of the challenge that lies before us or the enormous energy security issues that we face. That means, I am afraid, that there will have to be another Energy Bill soon after the election, when we will have a Conservative Government with the drive, the resolve and the commitment to address those issues and take them forward.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): May I echo the comments made by the hon. Member for Wealden (Charles Hendry) about the Minister and her colleagues? It is a while since I sat on a Standing Committee, but they were incredibly generous in their approach throughout, as was the Minister herself. I therefore agree with the hon. Gentleman, who was also incredibly courteous and well informed in presenting his points on behalf of the Conservative Opposition.

The sadness for me is that the Bill was introduced probably three or four years too late. What it needed was the new Department—I have to compliment the

[Mr. Phil Willis]

Prime Minister on one thing: setting the Department up—which has been effective in looking at some of the core issues facing our society. I compliment both the Secretary of State and the Minister on bringing those issues forward. Our party has had a number of major concerns during the passage of the Bill, some of which were, to be fair, addressed in part in the House of Lords—I am thinking particularly of the determination of what fuel poverty is. Let us remember that we had a discussion in Committee about that definition. The Minister was quite adamant that we could go no further, but since then there has been some movement on the issue in the House of Lords, for which we thank the Minister.

However, the difficulty is that an incoming Government, of whatever persuasion, will immediately have to return to the issue, because if they do not, we will not be able to move forward in what I see as three phases. The first issue is carbon capture and storage. Quite frankly, a huge amount of Government effort will be required to make it come to pass. We have had some movement on piping and some thought has gone into the issue of clusters, but that will need to be put into legislation, otherwise, frankly, it will not work.

One area that is missing—we genuinely hoped that the Minister would bring it back in the House of Lords—is this. When will the relationship appear between the installation of the carbon capture demonstrators and what will happen to the disposal of carbon dioxide in the North sea? That relationship—a relationship with those who currently have licences to operate in the North sea and who have an obligation to preserve the aquifers in a state in which they can be used—needs to be created, because once that goes and the whole thing collapses, then we will be in a totally different ballgame. We ought to be able to use this moment as a huge business opportunity and fill the aquifers in the North sea with carbon dioxide from a whole range of countries—particularly those in Europe, but also those further afield—using compression techniques.

The only other point that I wish to make is about this whole business of feed-in tariffs. What concerns me is this. Just this weekend I came back from my small farm on the west coast of Ireland. I was contemplating the discussions that we had with the Minister about those sources of energy other than gas that people use for their main heating. As I filled up my tank in Ireland, just as I fill it up in north Yorkshire, it struck me that the cost of delivering liquid gas at the moment is astronomical. When it comes to fuel poverty, the need to get people to think of ways in which they can generate their own heat and electricity and feed it back into the grid is crucial, but we also need to consider how to broaden the use of fuel poverty to include those areas that do not have access to natural gas.

The Bill is certainly worth putting on the statute book before this Parliament is dissolved, and I hope that when an incoming Government return to this matter, they will treat it with the same compassion and sense of importance that the Minister has shown, and that we can move on to the next stage as quickly as possible.

Joan Ruddock: I thank the hon. Members for Wealden (Charles Hendry) and for Harrogate and Knaresborough (Mr. Willis) for their very kind remarks. I appreciate very much what they have said and may I return the compliment? All of us who have worked on the Bill and in our wider debates in this place have done so with a very proper concern for the environment, for the security of our energy supplies, and for the people who have to pay for the fuel that they use and the fuel poverty that some of them experience. I am pleased to have been the Minister in charge of this important Bill. It has been debated seriously by Members on both sides of the House, for which I am grateful.

The hon. Member for Wealden took his opportunity, as he was entitled to do, to indicate many other things that he wished could have been included in the Bill. However, except for the matters of which he spoke where the Government conceded and made some improvements, the Government resisted those. The Bill was focused on achieving two things: first, carbon capture and storage and how it might be financially supported and organised in this country, and, secondly, the introduction of social price support mechanisms.

These small amendments are procedural and relate to the social price support mechanisms, so they do not allow us to widen the Bill's scope and bring in any of the new kinds of provisions that the hon. Gentleman would like. He spoke about the green deal that the Conservative party has put forward, but he knows well that the Government have proposed something that is bigger, wider and more costly than that, and which is embodied in our home energy management policy under the warm homes, greener homes strategy.

With regard to the strategy for carbon capture and storage and clusters, we very much agree with all parts of the House that clusters are to be considered and possibly encouraged. We want the best strategic position to be adopted for carbon capture and storage, and we agree with the hon. Member for Harrogate and Knaresborough on the potential for CCS. We believe that the discussions between those in control of North sea aquifers, the Government and the private companies that are developing CCS with Government support, are vital. As we have said, and as the Bill provides, we need to demonstrate that we can not only capture the gas, but transport it safely and store it safely for as long as is necessary.

The hon. Gentleman spoke about the cost of fuel such as liquid gas for home heating. We are sensitive to this point and we are looking for ways to enable people to reduce their bills and have more secure supplies at lower cost through such means as air source heat pumps, which would enable people to obtain heat through a completely new technology. That is now well tested and we think that it can be a really good substitute for those who are off the gas grid. There are also ground source heat pumps. As the hon. Gentleman knows, the Government have incentivised through the feed-in tariffs the provision of systems such as solar photovoltaic, where substantial payments can be made to those who generate their own electricity. Next year, we will introduce the heat incentive scheme, which should be of particular benefit to the kind of homes that he describes off the gas grid, where the incentives would particularly benefit those who move from sources such as LPG. I hope that we can promise the hon. Gentleman that much good will come forward when we are returned to government.

I can tell the hon. Member for Wealden that we have no plans for amending the definition of fuel poverty in

the Warm Homes and Energy Conservation Act 2000. Indeed, the Act allows for such an amendment to be made by negative resolution. This Bill does not cut across that. What we do in this Bill and the amendments that I have described is simply a matter for this Bill and the definition there. When providing for a social price support mechanism, we do not want it to be available only to those who by definition would come out of fuel poverty. Of course, some will, but some will be helped to do a little better and some may be prevented from going into fuel poverty. That is the intention of the price support mechanism and these small amendments make all of that possible.

It has been an immense pleasure to be a Minister in the new Department of Energy and Climate Change. I believe that the whole House feels that setting up that Department was a correct decision, as the hon. Member for Harrogate and Knaresborough reiterated today. For those of us who have worked in the Department, I can say that it has been a whirlwind of a Department, which has enabled the country to begin that absolute change in the way in which we generate and use our energy, and at the same time tackle the threat of dangerous climate change.

Lords amendment 1 agreed to.

Lords amendments 2 to 9 agreed to.

Financial Services Bill

Consideration of Lords amendments

3.28 pm

Mr. Deputy Speaker (Sir Michael Lord): Lords amendments to the Financial Services Bill have been received and printed. A grouping is also available. Under the order of the House of yesterday, they may be considered forthwith without any question put.

I draw the attention of the House to the fact that financial privilege is involved in Lords amendments 45 to 48. If the House agrees to any of these amendments, I shall ensure that the appropriate entry is made in the *Journal*.

Clause 1

COUNCIL FOR FINANCIAL STABILITY

The Economic Secretary to the Treasury (Ian Pearson): I beg to move, that the House agrees with Lords amendment 1.

Mr. Deputy Speaker: With this it will be convenient to discuss Lords amendments 2 to 4 and 36.

Ian Pearson: The amendments remove from the Bill the clauses relating to the council for financial stability—that is, clauses 1 to 4—and the reference to those clauses in clause 38. As my noble Friend Lord Myners set out in another place yesterday and again this morning, given the limited amount of time remaining in this Parliament, the Government have agreed with the official Opposition through the usual channels and in the usual way which parts of the Bill should be enacted.

The council for financial stability was a casualty of that process, as were clauses 8 and 18 to 25, which respectively deal with the Financial Service Authority's international remit and with collective proceedings. The second group of amendments deal with those changes. We continue to believe that the council for financial stability provisions are necessary, sensible and desirable; however, in the interest of securing other important elements of the Bill on which there is greater consensus, the Government have agreed to withdraw them. I hope that the House will support the amendments.

3.30 pm

Mr. Mark Hoban (Fareham) (Con): Of course, the Opposition agree with the amendments. We argued from the start of proceedings on the Bill that the council for financial stability was a cosmetic reform, not the fundamental structural reforms that we felt were needed to reflect the lessons of the financial crisis. The fiction the Government sought to create was that we would know who was in charge and who took responsibility in crises; in the evidence sessions, however, that fiction was slowly unpicked. The banks said that responsibility rested with the Treasury, and the FSA suggested that it had only a secondary role to play in financial stability—rather than clarity, there was confusion among the tripartite authorities. We therefore welcome the amendments that remove those clauses, which creates the opportunity for a fresh start in the next Parliament.

Ian Pearson: I welcome the Opposition's support for the amendments. I am not surprised by it, given that the deal has been agreed. We still believe strongly that the council for financial stability is an important and necessary addition to financial regulation in this country, but given where we stand today, I appreciate the hon. Gentleman's support for the other clauses in the Bill, which I hope will become law very shortly.

Lords amendment 1 agreed to.

Lords amendments 2 to 4 agreed to.

Clause 6

DISCLOSURE OF FINANCIAL ASSISTANCE TO THE BANK OF ENGLAND

Ian Pearson: I beg to move, that this House agrees with Lords amendment 5.

Mr. Deputy Speaker: With this it will be convenient to take Lords amendments 6 to 35 and 37 to 49.

Ian Pearson: As I mentioned a minute ago, as a result of discussions with the official Opposition via the usual channels, the second group of amendments will remove clause 8, which would provide for a new statutory duty imposed on the FSA to promote international regulation and supervision, and clauses 18 to 25, which would allow for group representative action in the courts for people with similar claims. We believe that, like the council for financial stability, those are important and necessary measures but, again, we have agreed to withdraw them to safeguard the passage of the Bill's remaining provisions.

Alongside the amendments removing those clauses, the Government tabled in another place a large number of concessionary amendments, many in response to the scrutiny by this House and the points made by hon. Members who participated in debates on the Bill. I recognise that the length of the parliamentary Session has curtailed debate on the Bill in another place—indeed, my experience of watching some of that debate tells me that it could have continued for many more months—but I hope that Conservative Members welcome the Government's efforts to deal with some of the concerns that have been raised.

Mr. William Cash (Stone) (Con): Does the Minister accept that, in the financial risk outlook recently published by the Financial Services Authority, the FSA made it clear that, for the taxpayer, many tens of billions of pounds—a substantial proportion of what was provided—would be at risk, notwithstanding any proposed repayment of the loans by the banks? Does he agree that that is a serious hole in the public finances, which, according to the FSA, will be carried by the taxpayer?

Ian Pearson: I heard the hon. Gentleman mention that yesterday, but I have not had time to check it out, so I must pass on answering that question. On the general point, however, I do not believe that the Government's financial interventions to recapitalise the banks and the Bank of England's action to provide liquidity to the banking system have been anything other than absolutely necessary to ensure the continued stability of the financial system in this country. I will check the detail of what he says about the FSA's financial risk outlook and, if it not too late in this Parliament, I will get my officials to write to him.

Let me describe briefly some of the concessionary amendments made in the Lords to which I hope this House will agree today. Amendments 9 and 10 ensure that the regulations provided for under clause 9 are subjected to the affirmative procedure. Amendment 12 ensures that the FSA, when making short-selling rules, has regard to international agreements in that area.

Amendments 16 to 23 further strengthen safeguards for individuals who performed a controlled function without the necessary FSA approval and reduce the proposed increase in the limitation period from four to three years. I well remember the hon. Member for Fareham (Mr. Hoban) expressing concern about those two points during Committee scrutiny of the FSA's enforcement clauses. The extra safeguards reflect the importance of casting the FSA's enforcement net widely enough to reach those who knew or could reasonably be expected to have known that they needed FSA approval and to deter individuals and firms from breaking the rules, but without catching those who reasonably should not be penalised. I believe that the amendment to the limitation period also strikes the right balance between allowing the FSA the time it needs to conduct proper investigations and answering the concerns expressed by Opposition Front Benchers, both in this House and in another place.

Amendment 24 will ensure greater transparency in disclosure of the FSA's enforcement actions. That, too, is a point raised by the hon. Gentleman and by my hon. Friend the Member for Edmonton (Mr. Love). In Committee, I promised to look into the matter; I did so, and amendment 24 is the product of that thinking. It improves the position by widening the circumstances in which the FSA must disclose details of its enforcement actions against authorised firms and individuals. It requires the FSA to disclose such information relating to decision notices as it considers appropriate. At present, the FSA can disclose only information relating to a final notice, which follows any appeal to the tribunal, rather than information relating to a decision notice, which is issued after a firm has had the opportunity to make representations to the FSA but before the firm has had the opportunity to appeal.

The new clause provides earlier transparency before any appeal has been heard but, importantly, after the FSA has heard the firm's views and concluded that there is a clear case to answer. It will empower consumers with additional information about which firms may have breached rules, and I think it strikes the right balance.

The Government have carefully considered points made in another place and by the industry on the ability to review rules made by the FSA establishing a consumer redress scheme. Although we feel that the approval of the court before a scheme can be established is not appropriate—indeed, we believe that that is a regulatory decision, which should be a matter for the FSA—the Government have accepted that the Bill should expressly set out a means of challenging such a decision, rather than requiring parties to rely solely on the judicial review process. Amendment 33 provides that any person

may apply to the upper tribunal for a review of rules made by the FSA under new section 404 of the Financial Services and Markets Act 2000. We consider, again, that this strikes a reasonable balance between the ability of the FSA to implement a consumer redress scheme, where appropriate, and the rights of others to require a review of those rules. Furthermore, in the light of industry concerns about the use of the power, we have also agreed to change the commencement of the clause so that it must be commenced by an order rather than automatically on Royal Assent. I hope that that explains the amendments and I hope that the House will support them.

Mr. Hoban: I welcome the amendments and the way in which the Minister has responded to the concerns that have been expressed during the scrutiny in this place and the other place. He highlighted amendment 24, for which I am grateful. One of the concerns that we had was that consumers did not know about enforcement action being taken against a firm regulated by the FSA and that that might put them at a disadvantage in dealing with those firms. Indeed, there was an incident that we cited in Committee relating to a mortgage company that was being investigated by the FSA on some of its repossession proceedings. If that information had been in the public domain sooner, that might have helped some people who had mortgages with that company. We welcome the constructive approach that the Minister has taken.

Let me focus very briefly on three areas. We want to see consumers given adequate protection when the product that they have brought or the advice that they have received is defective. That is a concern that we have expressed in a number of different ways over the course of this Bill but also in other wider reforms that we have set out. It is important that when new safeguards are introduced there should be proper scrutiny and consultation, so that we know that the safeguards will work effectively and proportionately.

We welcome the decision to drop clauses 18 to 25 on collective action. This gives the next Government the chance to consult properly on these changes and on the generic court rules that need to be introduced on collective actions and again on the detailed regulations that would then be used to apply those generic court rules to individual claims under financial services legislation. It also gives the next Government an opportunity to see how these rules dovetail with the existing protection for consumers and the consumer redress schemes. It also gives a Government the opportunity to think how collective proceedings should be applied to the whole area of consumer protection and not just to the narrow subject of financial services. The Government's decision to drop these clauses creates the opportunity for further debate, which will benefit both consumers and industry.

On clause 26, we welcome some of the changes that the Government have made, particularly the change to the commencement date. Rather like collective proceedings, this is an area where there was insufficient consultation with the industry or consumer groups. There is an underlying concern about how the FSA would use these powers in practice. It might be the case that with a longer period of thought and deliberation the industry and consumer groups could become more comfortable with the way in which the FSA would seek to use these powers in practice. The amendment creates a breathing space to enable that to happen.

Let me make one thing very clear. It is apparent that the powers that this provision replaces—existing section 404 of the Financial Services and Markets Act 2000—are unsatisfactory, because those powers had never been used. It is also clear that defaulting back to the Financial Ombudsman Service to resolve large-scale mis-selling claims is also unsatisfactory. A solution needs to be found to resolve these issues and I think we are confident that we can and should make progress on this. Fundamentally, the best way to resolve these issues is through having the right mechanisms in place to deal with the cure while having the right regulatory approach and structure in place to deal with prevention, too.

I am pleased to see that amendment 43 has been introduced. The Minister did not choose to mention it, but it reflects amendment 48, which I tabled in Committee. The Minister was rather sceptical at that stage about the amendment and he said that as an expert in evaluation and someone who has studied this topic over 20 years, it was not really necessary because organisations would do that automatically. As someone who has not studied evaluation for 20 years, I am pleased to see that I can have an impact as a layman—perhaps through the machinations at the other end of the Palace, but the effect is none the less welcome for that. Clearly, there is good evidence for the impact that I have made in the outcome of this Bill.

Let me end by wishing the Minister well, as he is leaving the House at the election. He and I have sparred on a number of Bills over the course of the last couple of years. I have always found him straightforward to deal with—that might not be what the deputy Chief Whip would like to hear—and prepared to engage in the debate in Committee in a serious and thoughtful way. I am sure that whatever he chooses to do after he leaves this place, he will be as successful there as he has been in this House.

3.45 pm

Andrew Mackinlay (Thurrock) (Lab): I shall not detain the House for more than a few moments. I listened carefully to the shadow Minister's speech and, although I am open to correction, I do not think that he made much reference to clause 8, which is struck out by the Lords amendments. I am extremely surprised, bearing in mind the traumatic experience that the UK has suffered during the financial crisis over the past year or more, and bearing in mind the utterances that one gets from the Conservative party—not just in the hustings, but in recent times, I find it amazing that, at the Conservatives' initiative, clause 8 has been struck out.

Clause 8 would have amended the Financial Services and Markets Act 2000 and would have allowed the Financial Services Authority—indeed, it would have empowered it—to take such steps to promote international financial regulation and supervision calculated to meet the financial stability objectives. It would also have charged the FSA with representing the interests of the UK when participating in discussions on international financial regulation and supervision. The agreed consensus was that some of the contributory factors to the global crisis and the background to the storm—which under the stewardship of this Government, we have largely

weathered and got through—were the absence of adequate international financial regulation. I find it quite amazing that this House, at this stage in this Parliament, should strike out what must be a demonstrably approved measure at the whim or insistence of Conservative Lords and those on the Conservative Front Bench. I am happy to give way to the hon. Member for Fareham (Mr. Hoban), because I think that we should be told how that abdication of responsibility has happened.

Mr. Hoban: I am grateful to the hon. Gentleman for giving way to probably the final intervention that he will take in this House. In the absence of this power, the FSA is still engaged in debate in the European Union and with the European Commission on technical issues to do with implementation of, say, Solvency 2. Lord Turner sits on committees of the Financial Stability Board. This makes no difference to the FSA's ability to take part in international discussions. It has done so without this power being in the FSMA. It is an entirely cosmetic and pointless change.

Andrew Mackinlay: I am pleased that I gave way, because that demonstrates the laid-back attitude of the Conservatives to this issue. Of course, the FSA has been acting in the way that the hon. Gentleman describes, but clause 8 places a duty on it. It reinforces its power. It sends messages abroad. It means that the FSA can go thumping the table internationally with full confidence and mandate of a statute. That is the difference. Statutory regulation stiffens the sinews, either of the FSA or the people who serve it, and underlines the importance and gravity of what they are doing. To say that the provision is not necessary is irresponsible and wrong.

I do not want to labour the point, other than to put on the record that removing clause 8 was a mistake. The Minister should be blushing, because the Government would have retained the provision, but the Conservatives insisted that it came out before the legislation could receive Royal Assent. The Conservatives are to blame for taking out a prudent and sensible clause.

The Minister may be able to help us on my second point. In proceedings in this House on 25 January and in another place on 23 February there was discussion of the credit unions of Northern Ireland. The hon. Member for Foyle (Mark Durkan), supported by the hon. Members for East Antrim (Sammy Wilson) and for North Down (Lady Hermon), Lord Bew and most sensible people, were led to believe that the measure would be a vehicle to empower the credit unions of Northern Ireland and give them parity with those in Great Britain. We thought they would be put under the FSA and allowed to provide financial products comparable to those in London, including child trust funds, ATMs and so forth.

Lord Myners was certainly sympathetic and, judging from the *Official Report*, the Minister indicated some support. Given his background as a Northern Ireland Minister, my hon. Friend will be aware that although only 1 per cent. of people in England use credit unions, they are used by 26 per cent. of people in Northern Ireland, yet they are denied parity of treatment with Great Britain. Furthermore, they do not have the assurances and guarantees arising from the oversight of the FSA.

I am bewildered and dismayed. All the political parties in Northern Ireland are in agreement on the issue, as are political parties in this House, including the Labour party in Northern Ireland and the Democratic Unionist party, except for the Conservative and Unionist party. By instructing the Minister that there should be no progress on the provision, the Conservative and Unionist party, which is standing in the election, is denying the people of Northern Ireland facilities for their credit unions. The Conservative party is doing a grave disservice to the 26 per cent. of people in Northern Ireland, across the political spectrum, who want their credit unions enhanced. The hon. Member for Fareham is looking anxious. Does he want to respond?

Mr. Hoban: Only to say that I am not sure why the hon. Gentleman has reached that conclusion. I am not aware that we have sought in any way to block that amendment.

Andrew Mackinlay: My accusation stands, and I shall be interested to hear what the Minister says in reply.

Mr. Colin Breed (South-East Cornwall) (LD): I rise to support the remarks made by the hon. Member for Fareham (Mr. Hoban). At one stage, many of us thought that the Bill might never come back here at all. Considerable work has been done on it by a lot of people and it includes some important aspects for consumers, so it would have been a great shame if it had not proceeded.

The provisions are reasonable given that there has been relatively little consultation as a result of the speed that was being required to push the Bill through. In many respects, the Bill is part 1 of something that will continue to be looked at as we impose regulation and supervision of financial services. I am happy to support the amendments and to allow the Bill to go through.

I do not have the same concerns about clause 8 as the hon. Member for Thurrock (Andrew Mackinlay). It had some belt-and-braces aspects and would not have had quite the impact he expected. Co-operation will clearly have to take place in that area. We shall not be able to introduce things off our own bat; we shall have to seek international support and co-operation and, as the hon. Member for Fareham said, there are already provisions in current legislation. However, certain aspects will have to be tightened up by the next Administration as they begin to push the measure through.

When the Treasury Committee visited Ireland a little while ago, we were amazed at the amount of credit union activity, but the mechanisms by which credit unions were administered or supervised were not raised with us. I am somewhat puzzled about the matter, so if the Minister has any helpful suggestions that would be good. It was certainly not something that the Committee considered was part of this legislation.

I echo the words of the hon. Member for Fareham about the Minister. We have had a good working relationship on various Committees, not least because of the way the Minister presented information and was always prepared to get us the additional information we required. I, too, wish him well in the future.

Mr. Cash: I want to speak briefly on clause 6. Nothing is more important than that people understand exactly, as it says in the amendment,

"the desirability of enhancing the understanding and knowledge of members of the public of financial matters (including the UK financial system)."

and for a very good reason. People have just been through the most cathartic experience; they have seen their savings and their jobs disintegrate as a result of mistakes, and sometimes of thoroughly misleading behaviour, by many people who ought to have known better. That goes for the Government as well as for the supervisory authorities and the companies and banks concerned.

People should have proper information and understand it and, if necessary, be given in school some overall idea of the extent to which they are dependent on the financial system. Something in the order of 20 per cent. of our entire economy turns on financial services, so it would not be amiss for people to have proper financial education and understanding. That provision is extremely important and useful.

Unlike the hon. Member for Thurrock (Andrew Mackinlay), I am delighted that clause 8 has been left out. I have taken a close interest in the Bill. I have written quite a lot about it in the *Financial Times* and other publications. From the beginning, I have made a constant assault on the idea that the City of London should be put under threat by European institutions—from the de Larosière report to the latest regulations, which I followed as a member of the European Scrutiny Committee from the beginning to the end. The Minister knows of my interest and of my condemnation of the extent to which the City of London has been put under threat as a result of European and/or global international regulation.

Even this morning, on the "Today" programme, the Prime Minister was still going on about the virtues of his great contribution to undermining—he would not put it like that, but it is a fact—our ability to run our own affairs. Given the number of jobs and the amount of gross domestic product dependent on the City, I am completely against the requirements under clause 8, and that is a very good reason why it should be left out. The hon. Member for Thurrock referred to its power, but he did not quite emphasise enough the fact that it would have provided for a legal duty, enforceable by judicial review. The hon. Gentleman is a good friend of mine, so I can tell from his expression how and to what extent he approves of clause 8.

As my hon. Friend the Member for Fareham (Mr. Hoban) knows perfectly well, irrespective of whether the clause is in or out, section 2 of the European Communities Act 1972 will require us to comply with the financial services regulations imposed by directives and decisions taken by the European jurisdiction. That is one reason why my United Kingdom Parliamentary Sovereignty Bill remains important. We have to have a proper adjustment, so that we co-operate with other countries. I have never been against that. As I have said many times before: European trade, yes; European Government, no. It is for this House to decide the extent to which we have proper regulation, and, whether we engage in agreements with other European countries or not, we in this House must have the last say.

Clause 8, as far as our courts are concerned, would have made an imposition upon the Financial Services Authority over and above the requirements of European regulations and directives. The clause would have gone to the Supreme Court at some point or other, when somebody challenged it, and it would have been an imposition—imposed by this Parliament as a mandatory requirement.

4 pm

Therefore, I am glad that the clause has gone, but I remain concerned about our underlying requirement under the European Communities Act 1972 to comply with the financial regulations that are streaming out of the European Union like a tsunami. Through majority voting, they will effectively hand over control of the City of London to the axis of France and Germany—Frankfurt and Paris. Nikolas Sarkozy has been quite clear from the beginning about their overriding objection to the Anglo-Saxon methods of dealing with financial services, and about their objective of taking over the City of London. That is one of their objectives, and the same goes for the Germans in Frankfurt. *[Interruption.]* I love to watch the deputy Chief Whip of the Government-for-the-time-being laughing about that.

The Treasurer of Her Majesty's Household (Mr. Thomas McAvoy): I'm laughing at you.

Mr. Cash: I am glad to hear the right hon. Gentleman say that. I am delighted, because all it does is demonstrate the absurdity of his position. He cannot tell that the people of this country are seriously affected. It may be very late in the day, and we may be right at the end of our parliamentary proceedings, but I say, and I shall say again, that nothing will stop me from defending in this Parliament the rights and interests of the people in this country. This legislation, whether or not it goes through in a wash-up and is fast-tracked, involves a disgraceful procedure, but at least it gives people like myself the opportunity to stand up for the United Kingdom, which I will do irrespective of deputy Chief Whips-for-the-time-being.

In line with the many times that I have raised this point with our shadow Chancellor and my hon. Friend the Member for Fareham, I trust that when we win the next election we will resist any attempt whatever to allow our City of London to be regulated by European regulations. We must insist that our City of London, our financial services, are dealt with under our laws, not under European or international legal jurisdictions.

Ian Pearson: I shall briefly respond to the points that have been made during this debate.

I agree with my hon. Friend the Member for Thurrock (Andrew Mackinlay) about clause 8 and disagree with the hon. Member for Stone (Mr. Cash) and his comments on it. I agree that dropping the clause will not prevent the Financial Services Authority from engaging in international forums, but the fact that it has not had its role formalised is disappointing. It is very strange that such an important activity has not been formally reflected on a statutory basis in the FSA's objectives.

I heard what my hon. Friend said about Northern Ireland credit unions, and I share his strong desire to see them come under the auspices of the FSA. That is why, during Commons stages of the Bill, I said to Members that, if it were possible for the Northern Ireland Assembly to agree on an approach, we would see what could be done in the Bill. Lord Myners tabled a new clause in the other place, but there was no opportunity to debate it. Primary legislation is not actually needed to bring about those changes, but it is important to send the right signal, and I hope that the next Government will continue to look at the regulatory reform of credit unions.

The House will be aware that there is a joint Treasury-Northern Ireland Department of Enterprise, Trade and Investment consultation on proposals for the regulatory reform of credit unions in Northern Ireland, and that was launched on 30 March. As responses are received, I am sure that it will be possible—early in the next Parliament, I hope—to bring in any necessary changes at an early opportunity.

The hon. Member for Fareham (Mr. Hoban) made three main points. On collective proceedings, the House is now aware that the amendments will drop clauses 18 to 25 from the Bill. However, I stress that, in terms of collective proceedings and providing for the rights of individuals collectively to take action, there is an important principle that needs to be pursued. We explored the issue in some detail in Committee, but it is clear from some reactions outside the House, which were reflected in the other place, that more work is needed in that area. That is why I am happy not to pursue those clauses at the moment, and to see more work done. However, the House will need to return to the matter, because it involves some important points of principle about how we ensure that such collective rights can be exercised.

The hon. Gentleman also raised a highly relevant point about clause 26. He will be aware of the actions that we have taken through amendment 33, and the agreement that it would be enacted separately. We just gave up on his amendment 43. I still do not think that it is a necessary part of the Bill, but in the other place I think they just decided, "Oh, all right then. Let's go on, let's do it. It won't do any harm." It certainly will not do any harm. The other concessions that we made in the other place have helped to improve the Bill; his amendment does not do so substantially, but there we go.

I should like to say two final things. First, I thank the hon. Members for Fareham and for South-East Cornwall (Mr. Breed), with whom I have debated on many occasions over the past couple of years. If I may return their compliments, I must say that they have been unfailingly courteous and well reasoned in their arguments. Although I have not been able to agree with them on every occasion, I have always carefully considered what they have said; and, where I have thought it appropriate, I have asked officials to draft and bring forward amendments, as we have done during the passage of this Bill.

Secondly, and lastly, I should like to thank my Bill team. Bills such as this require an awful lot of work on the part of many civil servants. My committed, dedicated and able team have provided me with terrific advice. I hope that I have not mangled their sentences too much in what I have said during the debates on the Bill. It is to their immense credit that so much of the Bill will be enacted very shortly, and that will be of benefit to people in Britain. So I say thank you very much to my team, and thanks also to hon. Members.

Lords amendment 5 agreed to.

Lords amendments 6 to 49 agreed to, with Commons financial privileges waived in respect of Lords amendments 45 to 48.

Flood and Water Management Bill

Consideration of Lords amendments

Clause 4

"FLOOD RISK MANAGEMENT FUNCTION"

4.10 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I beg to move, That this House agrees with Lords amendment 1.

Mr. Deputy Speaker (Sir Michael Lord): With this we may take Lords amendments 2 to 25.

Huw Irranca-Davies: It is a great privilege to bring forward what I hope will be, both figuratively and literally, the final Act of this Parliament. Bringing the Bill forward was a good choice; the business managers know my reputation for brevity.

The Bill benefited from further changes in the other place, and we are considering those this afternoon. In all, a further 25 amendments have been made in the other place, three of which are purely technical. Of the remaining 22, 18 resulted directly from the report of the Delegated Powers and Regulatory Reform Committee. We believe that all those changes are unobjectionable, and improve both this Bill and the Reservoirs Act 1975. We were more than happy to make the changes in the other place and we hope and expect that they will find favour in this House this evening.

I should mention briefly the issues outside the Bill on which I undertook to take further action. I undertook to address funding concerns for local authorities with the Local Government Association, and terms of reference for that work have been agreed. I also said that I would bring together the relevant interests to address concerns that had been expressed about the impact of flood risk on household insurance. I have had initial discussions with Members, including Opposition Front-Bench Members—I thank them for their courtesy in taking part—and with the Association of British Insurers with a view to having a wide-ranging discussion of this issue at a floods summit later in the year. That is indicative of the co-operative and open approach that we have taken to developing this legislation and I thank Members of this House and the other place and the bodies outside Parliament that also operated in that way. The result has been a Bill that was in very good order before it went to the other place; the scrutiny that it has received there, and the further amendments that have been made have, however, made it still stronger.

We should not lose sight of why the Bill is important. Floods can be massively disruptive to people's lives and to businesses, sometimes for a prolonged period. The events in Cumbria in the autumn were a vivid reminder of that, and climate change is likely to make both floods and droughts more frequent. The measures in this Bill will make a real and tangible difference; that is why the Government made the Bill a priority. I commend the Bill, and the amendments made to it in the other place, to the House.

Miss Anne McIntosh (Vale of York) (Con): I welcome this opportunity to make my last contribution of this Parliament. I thank my small but perfectly formed Bill Committee team of two at my office—they know who they are. I also convey my thanks to the Minister for his

team, the Department's team and that of the Environment Agency in preparing the Bill and these most recent amendments.

On a note of sadness, I should say that this is my last contribution of this Parliament as the MP for Vale of York. The recommissioning and redistribution of the boundaries mean that I shall, I hope, be moving to higher ground after the election.

The Minister, gracious and charming as ever, has asked the House to support the amendments, which he calls "technical amendments"—as he knows, that gets our hearts beating a little faster. I take this opportunity to ask him whether the words "under an enactment", inserted by amendments 1 and 2, have any special meaning, in this Bill and more generally. As for amendment 3, what procedure will be followed in this regard?

I understand that amendment 4 to clause 8 will be consequential to the amendments that we discussed and supported in Committee and in the remaining stages in this place. Obviously we would be grateful if the Minister would clarify the points about the Lands Tribunal and the upper tribunal.

Like the Minister, I would like to pause for a moment to talk about some of the issues to which we did not do complete justice in considering the remaining stages of the Bill in this place. He will be aware of our concerns and those of interested parties about the provisions relating to reservoirs. We remain unconvinced and would have liked the time to look at the reservoir provisions more carefully. I am sure that the Minister and the House will recognise that the provisions have serious cost implications, especially for those who have small reservoirs on farms and golf courses, and other third-party users. The increased cost of the obligations imposed is causing serious concern and alarm.

The Minister referred to adapting to climate change—or as some call it, adverse weather conditions. Across the country we have all at various times faced such weather conditions. There is a dilemma between wanting to store water to enable us to adapt to these conditions and the cost of creating more reservoirs.

I hope that, whoever forms the next Government, the House will have an opportunity to discuss a White Paper on these issues. We as a party are committed to publishing such a White Paper. The omission of food policy and food security as a material consideration in the flood risk management decision-making process is one that the Government will have cause to regret. The national and local flood risk management strategy is flawed, with too much emphasis on the Environment Agency and too many powers being given to it. We have argued that there should be much more co-operation with local communities through their elected representatives on the local authorities.

I referred earlier to the possible impact of the reservoir safety clauses on small farm reservoirs and those belonging to third parties. The Minister is aware of our ongoing concerns. I have referred to the fact that the Bill gives too much power to the Environment Agency, and to the implications of clause 38.

I should like to place on record our disappointment that the natural hazards team has not reported as widely and done as full an audit of critical infrastructure as we would have wished. We had a good debate on SUDS—either the sustainable urban drainage or the sustainable drainage systems. We still need to identify who owns them and who will be responsible for maintaining them.

We are still waiting for the publication date for the transfer of private drains—the lateral drains and sewers. This would be a good moment for the Minister to announce when the regulations and guidance will be issued. That is something on which we can perhaps campaign and have a proper debate, especially for those small privately owned drainage companies, which are largely family firms, who feel that they will lose out and that they have not been properly consulted. I hope that the Bill will put down a marker that we need regular maintenance work not just by the internal drainage boards but by the Environment Agency.

We wish the Bill well. We know that we will return to the content in some measure with a White Paper. I am delighted that the Minister has taken on board our concerns and is calling the forthcoming discussions not a floods insurance summit but a floods summit. I hope that we will have a dry period in which to campaign in the forthcoming general election. We thank all who have been involved in the Bill on both sides of the House. I know that the Minister is not planning to retire from the House so we wish him well in the campaign. I am sure that that will be reciprocated. I thank him for the gracious manner in which he has skilfully steered the Bill through.

Mr. Paul Keetch (Hereford) (LD): May I too congratulate the Minister on the successful passage of the Bill? He has done exceedingly well in steering this important Bill through the House. The other place has demonstrated its ability correctly to witness, scrutinise and improve what was already an important Bill. In my constituency—both in the city of Hereford and in Ross-on-Wye—we have seen tremendous floods that have affected people's day-to-day lives. I am grateful for the investment made in flood defence schemes in the city and in Ross-on-Wye. They are important. The Minister is right to say that these events will occur more frequently in the future as a result of climate change and global warming. The Act that we hope will be in place this evening will be a great asset and of great assistance to our nation for the future. I congratulate the Minister on his role in this.

Huw Irranca-Davies: I reciprocate the comments of the hon. Member for Vale of York (Miss McIntosh) and thank her for engagement with the issue. My officials will read the *Hansard* report of the debate and will read her thanks to them. They have been open and engaged and I thank them for that. I also ask the hon. Member for Hereford (Mr. Keetch) to take my thanks back to his colleagues for their engagement in terms of finding the best way through.

We had a great deal of debate about reservoirs. The issue has been aired in the other place, the Chamber and in Committee, but we have settled on this position as a result of consistent engineering advice based on a risk assessment approach. Partly because of our engagement with the hon. Lady and others, we have some flexibility to revisit the issue of over-capacity to take on some of her concerns.

On future legislation, we are in agreement. We see the need for additional engagement. Beyond Pitt's recommendations, we have the Cave report and Anna Walker's report and so much besides. We will have to have some consolidating legislation and I am pleased to

[Huw Irranca-Davies]

say that we are already working up some proposals internally to try to bring forward something at the earliest opportunity. As always, this will be subject to parliamentary time but we would share the hon. Lady's aspiration to have another water Bill before the House as soon as possible.

I can confirm what I have said previously about drains: the transfer will go ahead next year. As for the regulations, I heard a whispered aside from behind me that they are in the pipeline. I can confirm that they will be available by the end of May. They are being drafted and are in a good state.

We say "enactment" in the amendments because we do not want the power to create an entirely new function. The functions should be defined in statute before the order is used to define them as risk management functions. On the Lands Tribunal and the change to the upper tribunal, other legislation has made the change, and the amendments merely reflect that.

I thank the hon. Member for Hereford for reminding us why this Bill is so important to his constituents and to others throughout the country. At the risk of making this sound like an Oscar speech, it would be remiss of me not to thank those external organisations that have engaged with us in this process, those in the other place who have added so much to the Bill, Front and Back-Bench Members, Committee members and members of the Environment, Food and Rural Affairs Committee, who have carefully constructed the Bill. It is all a tribute to them, and to my Bill team who have unstintingly given their time and efforts to turn this into a good Bill. It will make a difference, and it will deliver Sir Michael's Pitts recommendations. There is more work to do of course, as there always is, but this is a singular step forward, and we should all be proud of the work that has gone into the Bill.

Lords amendment 1 agreed to.

Lords amendments 2 to 25 agreed to.

4.25 pm

Sitting suspended (Order, 7 April).

MESSAGE TO ATTEND THE LORDS COMMISSIONERS

5.22 pm

Message to attend the Lords Commissioners delivered by the Gentleman Usher of the Black Rod.

The Speaker, with the House, went up to hear Her Majesty's Commission; on their return, the Speaker sat in the Clerk's place at the Table.

Royal Assent

Mr. Speaker: I have to acquaint the House that the House has been to the House of Peers where a Commission under the Great Seal was read, authorising the Royal Assent to the following Acts:

Appropriation No. 2 Act 2010

Finance Act 2010

Anti-Slavery Day Act 2010

Equality Act 2010

Northern Ireland Assembly Members Act 2010

Crime and Security Act 2010

Personal Care at Home Act 2010

Mortgage Repossessions (Protection of Tenants Etc.) Act 2010

Sunbeds (Regulation) Act 2010

Sustainable Communities Act 2007 (Amendment) Act 2010

Debt Relief (Developing Countries) Act 2010

Bribery Act 2010

Digital Economy Act 2010

Constitutional Reform and Governance Act 2010

Children, Schools and Families Act 2010

Energy Act 2010

Financial Services Act 2010

Flood and Water Management Act 2010

Bournemouth Borough Council Act 2010

Manchester City Council Act 2010

Her Majesty's Most Gracious Speech

Mr. Speaker: I have further to acquaint the House that the Leader of the House of Lords, one of the Lords Commissioners, delivered Her Majesty's Most Gracious Speech to both Houses of Parliament, in pursuance of Her Majesty's Command. For greater accuracy I have obtained a copy, and also directed that the terms of the Speech be printed in the *Journal* of this House. Copies are being made available in the Vote Office.

The Speech was as follows:

My Lords and Members of the House of Commons

My Government's overriding priority has been to restore growth to deliver a fair and prosperous economy for families and businesses, as the British economy recovers from the global economic downturn. Through employment and training programmes, restructuring the financial sector, strengthening the national infrastructure and providing responsible investment, my Government has taken action to support growth and employment.

My Government has also strengthened key public services, ensuring that, increasingly, individual entitlements guarantee good services, and has worked to build trust in democratic institutions.

My Government has sought effective global and European collaboration, including through the European Union, to combat climate change, including at the Copenhagen summit in December last year, and to sustain economic recovery through the G20.

The Duke of Edinburgh and I were pleased to visit Bermuda, and Trinidad and Tobago for our State Visit and to attend the Commonwealth Heads of Government Meeting in the Commonwealth's 60th anniversary year. We were glad to welcome the President of South Africa on his successful visit to this country earlier this year.

The Duke of Edinburgh and I were saddened to learn of the devastation brought on Haiti and Chile by recent earthquakes and hope that relief and reconstruction efforts, which my Government and the British people have supported, can build on the spirit and resilience displayed by their people.

My Government has continued to reform and strengthen regulation of the financial services industry to ensure a stable financial sector that supports the wider economy, with greater protection for savers and taxpayers.

As the economic recovery is established, my Government has taken steps to reduce the budget deficit and ensure that national debt is on a sustainable path. Legislation has been enacted to halve the deficit.

An Act has been passed to enable the wider provision of free personal care to those with the highest needs.

An Act has been passed to protect communities by ensuring that parents take responsibility for their children's antisocial behaviour and by tackling youth gang crime.

An Act has been passed to ensure the communications infrastructure is fit for the digital age, supports future economic growth, delivers competitive communications and enhances public service broadcasting.

Legislation has been enacted to support carbon capture and storage and to help more of the most vulnerable households with their energy bills.

My Government has set out proposals for high-speed rail services between London and Scotland.

Legislation has been enacted to protect communities from flooding and to improve the management of water supplies.

My Government has remained committed to ensuring everyone has a fair chance in life and an Act has been passed to promote equality, narrow the gap between rich and poor and tackle discrimination. The Act also introduces transparency in the workplace to help address the differences in pay between men and women.

An Act has been passed to enshrine in law the commitment by my Government to abolish child poverty by 2020.

Legislation has been enacted to provide agency workers with the right to be treated equally with permanent staff on pay, holidays and other basic conditions after twelve weeks on an assignment.

Legislation has been enacted to take forward constitutional reform.

An Act has been passed to strengthen the law against bribery.

My Government has continued to work closely with the devolved administrations in the interests of all the people of the United Kingdom. My Government has remained committed to the Northern Ireland political process and has continued to work with Northern Ireland's leaders to ensure the continued stability of the devolved institutions and to complete the process of devolution by transferring policing and justice functions in April this year.

In Scotland, my Government set out plans to further strengthen devolution in its response to Final Report of the Commission on Scottish Devolution. My Government has continued to devolve more powers to Wales and has remained committed to a referendum on further devolution.

Members of the House of Commons

I thank you for the provision you have made for the work and dignity of the Crown and for the public service.

My Lords and Members of the House of Commons

My Government has worked for security, stability and prosperity in Afghanistan and Pakistan and for peace in the Middle East.

Legislation has been enacted to ban cluster munitions.

My Government has continued to work towards creating the conditions for a world without nuclear weapons, including addressing the challenges from Iran and North Korea.

Draft legislation has been published to make binding my Government's commitment to spend nought point seven per cent of national income on international development from 2013.

My Lords and Members of the House of Commons

I pray that the blessing of Almighty God may rest upon your counsels.

PROROGATION

Mr. Speaker: The Commission was also for proroguing this present Parliament, and the Leader of the House of Lords said:

"My Lords and Members of the House of Commons:

By virtue of Her Majesty's Commission, which has now been read, we do, in Her Majesty's name, and in obedience to Her Majesty's Commands, prorogue this Parliament to Tuesday the twentieth day of this instant April to be then here holden, and this Parliament is accordingly prorogued to Tuesday the twentieth day of this instant April."

End of the Fifth Session (opened on 18 November 2009) of the Fifty-Fourth Parliament of the United Kingdom of Great Britain and Northern Ireland in the Fifty-Ninth Year of the Reign of Her Majesty Queen Elizabeth the Second.

Westminster Hall

Tuesday 23 March 2010

[MR. BILL OLNER *in the Chair*]

Disability Policy (Economic Downturn)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mrs. Hodgson.)*

9.30 am

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): As always, it is a great pleasure to welcome you to the Chair, Mr. Olner.

As we move towards the end of this Parliament, I am delighted to have the opportunity to speak about an issue that has been of great interest to me during my time in the House. I pay tribute to many hon. Members and peers from all parties, to the all-party group on disability and to the all-party group on learning disability, which I am privileged to co-chair with the distinguished Lord Rix, for their work on this issue. The House has been extremely well served by many organisations such as Mencap, Leonard Cheshire, the Royal National Institute for Deaf People and RADAR. Their contribution has been vital not just to progress for people with disabilities, but to democracy.

In the past, many people with disabilities were subject to discrimination with regard to employment opportunities, poverty and inflexible social care. For that reason, some hon. Members, many of whom are here today, campaigned vocally for the rights of disabled people. Our fundamental objective remains the promotion of disabled people's human rights of inclusion, independence and freedom. Those rights help knit together cohesion in our society. There have been great strides over recent years, but everyone knows that there is a long way to go.

The Government can be rightly proud of their record on disability issues. I warmly congratulate the Minister and his predecessors—especially my right hon. Friend the Member for Stirling (Mrs. McGuire), who did a first-class job. I am impressed by the work of the Office for Disability Issues, which has been headed knowledgeably by the Minister, who has long been a campaigner for disability rights. My first contact with him was in 1986 when I received a letter from a young social worker emphasising his support for my private Member's Bill on disability rights and advocacy. That Bill became the Disabled Persons (Services, Consultation and Representation) Act 1986.

I am delighted that the Minister is still fighting hard for equality and opportunity, and that his Department has been committed to meeting the needs and aspirations of the 10 million people with a disability—through Equality 2025, by strengthening the legislation with the Disability Discrimination Act 2005 and by leading the way on the United Nations convention on disability rights. Through employment programmes, increases in disability benefit and an incredibly ambitious social care reform agenda, the lives of many people with disabilities have undoubtedly improved since 1997.

The past year has seen exceptional changes in the British economy as we have moved into and out of recession. The inevitable tightening of the Government's fiscal belt means that there will be changes and efficiencies in the public sector over the next few years. The reason for this debate is to seek to ensure that cuts in public spending are not aimed disproportionately at some of the most vulnerable people in our society. Alas, we have seen that happen in many recessions.

Mr. William Cash (Stone) (Con): Does the right hon. Gentleman agree that just as funding for international development has been ring-fenced by my party, there is a strong case for ring-fencing the money for people who are disabled because they, too, are vulnerable? I pay tribute to him for his work on this issue and on international aid over many years.

Mr. Clarke: I am grateful to the hon. Gentleman and welcome his remarks. From exchanges in the House, he will know that in Scotland we feel strongly about ring-fencing because the additional money made available to the Scottish Government did not go where it was intended to go.

As I was saying, in previous recessions, the weak and vulnerable have tended to be targeted as part of a dogmatic free-market agenda. We have seen that again in certain local authority areas. It is vital that legislative reform and services for people with disabilities should continue to have the momentum of investment and commitment from Government and local authorities. Everybody with a disability, whether their needs are moderate or complex, deserves the opportunity to live a fulfilling and rewarding life.

I will start by discussing the issues in social care—in particular, the roll-out of the Government's ambitious and widely supported personalisation agenda, which includes direct payments, personal budgets, individual budgets and the right-to-control scheme. Those are vital tools that provide independence for people with disabilities. An excellent example of the potential of personalisation comes from Daniel, a young man in east Sussex who is deaf, uses British sign language and has Asperger's syndrome. He has worked closely with the RNID to choose a package that includes flexible care at home, assistance to increase his confidence on public transport and the vital support needed to help him get a job in Asda. Such examples provide insight into the potential of personalisation. Public spending cuts during the recovery should not stall that vital reform. I am glad to say that the new £7 million right-to-control scheme suggests a continued commitment to its implementation.

About 46,000 adult service users now have personal budgets, compared with only 60 three years ago. About 86,000 adults received direct payments in 2008-09, which is an increase of nearly 30 per cent. on the previous year. Although no social care programme should have cost-cutting as its sole objective, academic research has shown that support packages based on direct payments are on average about a third cheaper than directly provided services. I argue that we should reinvest the efficiency savings made through the personalisation programme back into social care. However, at a time of fiscal belt-tightening and demographic change, personalisation reconciles the seemingly contradictory needs of increasing user satisfaction and meeting the financial constraints in which funding streams operate.

[Mr. Tom Clarke]

In the post-recession world of economic reticence, there can be no let up in the roll-out of personal control because it is only through widespread provision that the number of services provided for service users will increase. People often say that we cannot allow a postcode lottery to develop and that uneven implementation across local authority areas should not occur. That is why I applauded the move towards a more nationwide perspective on the issue of social care, and I look forward to a future of national assessment and social care portability.

I know from the experience of the Act that I sponsored that safeguards also need to be built in and pursued, so that there is full implementation of the intended programme. Brokerage must be available, accessible and not open to exploitation. In some excellent documents produced by Unison, a compelling case has been made for local authorities to carry out at least a part of the brokerage system. For people who are uncomfortable and unable to cope with the prospect of becoming an employer and managing their own budget, we need to ensure that social services provide the necessary practical provision. We know from experience that one size does not fit all.

Where there are popular, well established services, often provided by local authorities on a larger scale, they must not be used by councils—some of which, frankly, are incompetent—as an expendable and disposable resource to cover their own financial priorities. Too many local authorities have used personalisation as an excuse to slash costs and repair the damage caused by their own mismanagement. Personalisation is a process through which we improve social care provision; it is not a political football to kick around town halls.

As a former president of the Convention of Scottish Local Authorities, I mention this with a heavy heart, but one example relates to Aberdeen city council, where financial mismanagement led to a multi-million-pound overspend that needed to be plugged. Who are bearing the brunt of the council's ineptitude? Disabled people, because the council has been closing day centres, care homes and respite centres.

Tony Baldry (Banbury) (Con): Does the right hon. Gentleman agree that personalisation should not mean isolation? Personalisation at home is potentially good news, but people need to get out and have support. Day centres are important, and volunteer groups should not be undermined by an aggressive system of tendering. Often if we want to encourage volunteers in the community, it takes many years to build up well trained and informed voluntary groups.

Mr. Clarke: I am happy to agree with the hon. Gentleman. When I was preparing for this debate, I met and heard from a number of voluntary organisations, many of which echoed the view that he just expressed.

I turn to the issue of Scottish local government. Aberdeen city council is tightening its eligibility criteria to exclude people from care; it is hard to believe that that is happening in the United Kingdom today as we speak. To raise eligibility criteria in such a way is fundamentally short-sighted, because continued care and support reduces the number of cases in crisis and helps to encourage people into work.

We also need to remember the staff, some of whom are low paid and many of whom are female care workers. They are the backbone, and central to the survival of these care services. There needs to be reskilling to enable people to adapt to changing roles, but staff are not expendable; they are precious. Safeguards must be built in, so that those employed by service users are given full employment rights and know where they stand in relation to liability insurance and tribunal awards.

Mr. Cash: Is the right hon. Gentleman concerned about the potential connection between the important point that he is making and the scandal that appears to be emerging, which is that primary care trusts in our part of the world—in England, Wales and perhaps also Scotland—are not receiving the amount of money that was supposed to be allocated by the Government? That money is being absorbed into the general budgets, which is outrageous.

Mr. Clarke: I could not agree more with the hon. Gentleman. If we have what many have called a national care service, I hope it will be easier to identify where the problems that he mentioned are occurring.

Tony Baldry: I should like to echo what my hon. Friend the Member for Stone (Mr. Cash) just said, and be slightly more specific. It is not just about cuts; it is about ensuring that the money that the Government have allocated to various parts of the system gets to the people for whom it is intended. For 2010-11, the Government have allocated £100 million for carers' services in England—for things such as respite care and breaks. Research from the Princess Royal Trust for Carers shows that only about a quarter of that money will be used for carers and, shockingly, that a quarter of primary care trusts will be spending less money on carers next year than last year, despite substantially more money being earmarked by the Government for carers' services.

Mr. Clarke: Again, the hon. Gentleman makes a valid point. I think we all recognise that the system would break down if it were not for carers, who often give up 24 hours a day, seven days a week. We acknowledge the contribution of such people.

Bob Spink (Castle Point) (Ind): Last week, I met carers in my constituency, who do a wonderful job. The right hon. Gentleman may have seen my recent work on the disability facilities grant—I tried to get a debate on that subject today, but he pipped me to the post. The grant enables disabled people to live in dignity and independence, and to remain in their homes. An increase in that grant might well cut the overall cost of caring for people in the long run, so it would be financially prudent. Will he join me in asking for a review of how the grant operates? People are waiting far too long for their facilities.

Mr. Bill Olner (in the Chair): Order. I remind hon. Members that we are talking about disability policy after the economic downturn.

Mr. Clarke: Thank you, Mr. Olner. I acknowledge what the hon. Member for Castle Point (Bob Spink) said; it would not be a Westminster Hall debate if he did not make an intervention.

We need to be bold in tackling the problems of economic inequality and poverty for people with disabilities, and doing so should motivate hon. Members from all parties. Leonard Cheshire's 2009 disability review, which is an excellent document, shows that 42 per cent. of respondents found it difficult or very difficult to manage on their personal income. Some 63 per cent. of respondents were in fuel poverty and 55 per cent. did not have any savings. Leonard Cheshire's 2008 report, "Disability Poverty in the UK," found that disabled people are twice as likely to live in poverty as non-disabled people. Many of those issues have been exacerbated by the recession.

We need to consider ways to increase employment further, reduce discrimination, improve educational provision and ensure that the welfare system works effectively for disabled people, who are, in many cases, unable to work. Although employment is not the panacea for ending all disability inequality, it plays an important role in reducing social, economic and cultural barriers by providing many disabled people with that vital sense of meaning and independence. The employment rate for disabled people has increased from 38 per cent. in 1998 to 48 per cent. in 2008. However, only 10 per cent. of all people with a learning disability work, which is why the extension of targeted Government programmes, such as the Jobs First pilot scheme, is essential.

The recession has made finding a job much harder for everyone in society, and people with disabilities start at a clear disadvantage.The unemployment rate for disabled people increased from 8.1 per cent. in October-December 2007 to 10.4 per cent. in October-December 2009, and the economic inactivity rate of disabled people at the end of last year was 44.1 per cent, compared with 16 per cent. among people without a disability. Sadly, stigma and discrimination are still present. More than half the respondents to Leonard Cheshire's 2009 report believed that they had been discriminated against in the workplace, which is totally unacceptable in any circumstances.

The Government are working hard to increase employment opportunities for people with disabilities, and that needs to continue with even greater ferocity in the post-recession climate. Pathways to work, which has helped more than 180,000 people into work, should continue to be delivered robustly and fairly. Indeed, £1 billion of investment has been promised for the period between 2008 and 2011. However, payment by in-work results, a key part of the programme, can occasionally result in the most able jobseekers being creamed off and the least able clearly being neglected. It would be wrong to ignore those who face the most challenging obstacles to employment.

The access to work scheme has also proved a great success, helping some 44,000 people into employment. There is an ambitious Government promise to double the budget from £69 million to £138 million by 2013-14, which I hope will be achieved. Access to work provides support for adapting premises and people travelling into work, but there is more to be done to highlight the scheme to employers—ensuring that portability is built in and forcefully making the moral and economic case for employing people with disabilities.

Earlier, I mentioned benefits. Part of the programme for encouraging employment has been to reclassify incapacity benefit as employment and support allowance. That has been supported by disability charities as a much-needed change that judges people by their potential and removes the expectation that certain people with disabilities cannot work. Continued safeguards are required to ensure that the work capability assessment does not force some disabled people on to jobseeker's allowance, which can fail to meet their longer-term needs.

Inequality and discrimination are not only present in the economic sphere. Great steps have been taken to extend equality legislation to people with disabilities, the disability equality duty in 2005 being just one example of the Government's legislative commitments. However, problems and challenges remain. Of all adult protection referrals to social services, 15 per cent. involve crime or abuse against people with learning disabilities. In order to deliver real disability equality in the economic upturn, disabled people need more than economic rights, vital though those are.

Significant cultural changes are also required. We need to tackle in no uncertain terms disability hate crime, which is currently the subject of a formal inquiry by the Equality and Human Rights Commission; the lack of political representation; and a cultural refusal to integrate disabled people fully into many aspects of modern society. That is why the Equality Bill, which has been welcomed by the Disability Charities Consortium, is so important. The Bill will put a new equality duty on public bodies, use public procurement to improve equality and extend the use of positive action in political life, which has been welcomed by the great united voice of those involved in disability who rightly make their views known to us as parliamentarians.

In the post-recession climate, it is incredibly important that the Government should enforce the relevant provisions of the Equality Bill so that service providers do not adopt a policy of doing the least possible. It is by delivering those wide cultural, social and political changes, alongside a legislative programme for social care reform and economic assistance, that disability policy after the recession can bring about real change for disabled people. That is the hallmark of a caring society and of a modern and inclusive Britain.

9.55 am

John Barrett (Edinburgh, West) (LD): I thank the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) for securing the debate and making a detailed and thoughtful contribution. He listed several groups, organisations and individuals, including the current Minister and his predecessors, who have made a significant contribution—I will not name them all today, but they know who they are.

Mr. Tom Clarke: One of the things that pleases me about the debate is that it gives me the chance to wish the hon. Gentleman well, as he has decided to stand down from Parliament. He was a stalwart in the fight for disability rights and will be very much missed.

John Barrett: I thank the right hon. Gentleman for his kind remarks. I will touch on another Scottish problem that he mentioned—the ring-fencing of funds—because he was disappointed, as was I, when money allocated to the Scottish Government to be spent on those living with disabilities was not spent on that intended purpose.

Living with a disability is not only an issue for the individual concerned; it affects their family, friends, carers, employer and the entire community. It is worth remembering that whatever we have to cope with in the UK is nothing compared to the problems faced by others elsewhere in the world, and I am sure that the right hon. Gentleman agrees. During my six years on the International Development Committee, I witnessed at first hand people with a range of disabilities, who often had a fraction of the help and support we see in the UK, and yet we are painfully aware that the level of support here falls well short of the mark.

I would like to pay tribute to groups and organisations that do excellent work on disability. RADAR, an organisation to which the right hon. Gentleman referred, recently invited spokesmen from all parties to say what their parties would like to see happen after the election. The subject of today's debate is disability policy after the economic downturn, but unless the economic downturn ends before the expected election date of 6 May, we are discussing disability policy for the next Government. At the RADAR event, I said that I did not believe that any one party had all the good people, ideas and wisdom. Whichever party forms the next Government, I would like to see it put dealing with the problem at the forefront, rather than use any disability-related matter as a political football, because the issues that people have to live with day by day and week by week are more important.

The debate focuses on disability policy after the downturn, and as an optimist I hope that that will not be too far in the future. Before looking to the future, however, it makes sense to look at how the downturn has affected those living with a disability today. Disabled people have been disproportionately hit by the downturn in several ways. We have seen the cost of heating, food and transport rise in recent weeks, months and years, while we know, as is detailed in Leonard Cheshire's report, that the income of a family with a disabled parent or child is often much lower than average. I hope that those people will not be forgotten during the election campaign, because that group has a much lower than average record of turning out to vote, but they feel a much higher than average impact from Government policies and they need those policies to be right.

With a general election just around the corner, now is a good time to look to the future and to learn lessons where we have made mistakes in the past. At this time, disabled people will rightly be looking for commitments from all political parties that policies for the disabled are not seen as a good idea in the boom years but unaffordable in difficult economic times. That would be exactly the wrong way to look at disability policies. The next Government, whoever they may be, should consider the huge opportunities for making use of the vast pool of untapped potential among people with disabilities in every constituency in the country.

However, for disability policy to be a priority for the next Government, we need a House of Commons that is full of MPs who recognise the importance of disability and related issues. One way to achieve that would be to encourage more disabled people to vote. Whether through a postal or proxy vote, every individual, no matter what their disability, has a democratic right to make their voice heard. It is therefore a real point of concern that people with disabilities continue to have one of the lowest rates of political participation in the country. At the last election, it was estimated that less than 20 per cent. of certain groups of disabled people voted. If we want a strong voice for disabled people in Parliament, we need to have MPs who have been elected with the help of disabled people and those living with disabilities, and who can be held to account by them.

If we are committed to supporting people with disabilities, we also need disabled people to be elected to this place so that we have more people who have a more direct interest in the issue. I am not saying that those who do not have a direct interest do not have awareness and cannot campaign and work for groups that are most directly affected, but disabled people would add to the mix in Parliament.

The onus is on politicians to provide something that is worth voting for. Too often, disability issues have been seen as an add-on, and tagged on to the end of other policies. In the future, we should mainstream independent living, accessibility and disability awareness. Disability should be a thread that runs through policy as a matter of course. One of the things that any new Government could do is repeal section 141 of the Mental Health Act 1983, which sends all the wrong signals about mental health.

The disabled people to whom I speak do not want much. They ask only for a fair deal and a level playing field. Central to that will be the drive towards independent living, which must continue in the next Parliament. I know that the current Government are not too keen on primary legislation on the subject—they do not feel that delivering independent living requires it—but I am surprised to hear that from a Government who have published more new laws than any other in living memory. They have made a mistake on that count.

I am pleased that we now have the Independent Living Scrutiny Group to review progress on implementing the independent living strategy, but I believe that primary legislation could make a contribution and clarify disabled people's entitlements. That would be the best way to proceed.

Independent living must be at the core of our approach to disability in the future. Personal budgets that give people the right to choose their own priorities are the right way forward. At the same time, we must ensure that we create a system that does not allow independent living to be abused as a way of giving people more say over less funding. A real concern in the economic downturn is that we may pass the buck—whether to individuals or local authorities, who have to work with restricted budgets.

In 1997, a Government were elected who admirably made cutting child poverty a key priority. However, they talked the talk but did not walk the walk. Yesterday, the Child Poverty Bill went through its final stages in the House, but it includes a new definition of eradication of child poverty which would not be acceptable in any other walk of life. To say that something has been

eradicated means that we have got rid of it; saying that it is as bad as in neighbouring European countries is not the same.

I would like the next Government to take a much more determined approach to tackling disability poverty. Leonard Cheshire Disability has gone into that in great depth in several reports over the years, and, for those who are following this debate, following its work would be a wise thing to do. It is simply not right or fair that disabled people are twice as likely to live in poverty as non-disabled people. Much of that is down to an insensitive system that does not adequately take into account the higher living costs that often come with having a disability.

One young mother mentioned to me that the bicycle that her able daughter uses cost £50, yet her disabled child's bike—with stabilisers, supports, controls and so on—cost four times as much. Shoes for an average child may cost about £20; for a child who needs built-up shoes, foot splints and so on, a pair of shoes can cost £200.

The Minister will know that some local authorities and financial institutions still consider the care component of disability living allowance as part of an individual's disposable income when calculating social care entitlements or whether someone can apply for credit or loans. We must agree that there ought to be a change so that the system takes account of the extra costs of living with disability when conducting income assessments for benefits or measuring disability poverty. If we are to start to make a dent in disability poverty, we must recognise that DLA is not additional income but is for meeting the additional costs of living with a disability. Might I suggest that the tax system proposed by my hon. Friend the Member for Twickenham (Dr. Cable), which would lift the lowest earners out of tax altogether, would be a good place to start?

I would also like us to banish the idea that people are in some way acting altruistically by acting on disability issues. Not only do we have an obligation to act but the reality is that society as a whole benefits when disability is treated as a priority. Properly investing in people with disabilities to help them back into work and live independent lives will save billions of pounds a year in unemployment and other benefits. It is also simply the right thing to do.

Looking forward, we will start to deliver fairness for people with disabilities only when we begin to build disability awareness into every Government Department and every aspect of employment. Disability issues impact on every sphere of government, from transport, health, education and housing to Department for Work and Pensions benefits and much more. I have touched on the work that the Department for International Development does on disability abroad.

Disability policy affects millions of people. If we are to consider disability policy after the downturn, we should consider how best to build disability awareness into the priorities of every Government Department. Fairness for people living with a disability will not be achieved by treating disability as an afterthought. It ought to be at the forefront of our mind when we make policy.

I trust that the issue will be at the forefront of the mind of the next Government, and I would like to hope that in the next 25 years we will move forward on disability as much as we have moved forward over the past 25 years on race, religion, age and gender discrimination. I often feel that disability issues have fallen behind. I wish whoever forms the next Government all the best in dealing with the serious problems that those who live with disabilities experience every day, week and month.

10.8 am

Mr. Mark Harper (Forest of Dean) (Con): It is a pleasure to serve under your chairmanship, Mr. Olner. I congratulate the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) on securing this debate. He made a wide-ranging speech in which he covered the waterfront of these issues.

The only disappointment is that it takes the right hon. Gentleman to have a good debate on disability policy. It is a shame that the Government have not had more debates on the Floor of the House. It is not necessarily the Minister's fault—I have been pressing the Leader of the House for more frequent debates on this topic. The Government had debates in 1999, and in 2004 and 2006—sadly, both coincided with the days of European and local elections—but they have not had one since. The opportunity that the right hon. Gentleman has given us to discuss these important issues is very welcome, and many of the points that he made are shared by Members on both sides of the House.

I also take this opportunity to wish all the best to the hon. Member for Edinburgh, West (John Barrett), who will not be standing again. Having listened to his speech, I have to say that he sounds as passionate about these issues as ever. He listed a range of challenges for the future, so perhaps he should stand again so that he can take his part in campaigning on them. I recognise, as the right hon. Member for Coatbridge, Chryston and Bellshill did, that the hon. Member for Edinburgh, West has been campaigning on these issues for many years, so perhaps he feels that he has done his bit, but it certainly sounded as though there is still much more that he wishes he could do. I wish him very well for the future.

Bob Spink: Whoever forms the next Government will, in forming policy, have to consider the operation of the disability facilities grant. We must give the Government credit for increasing the grant over the past three years from £146 million to £166 million. Does the hon. Gentleman agree that we should go even further, because that is money well spent and it will save even greater sums in the longer term? Does he agree that the grant should be changed to introduce a rapid repair and adaptation service for minor works, so that people do not have to wait months and sometimes years for adaptations that will allow them to live with dignity and independence?

Mr. Harper: The hon. Gentleman makes a good point when saying that a lot of the money that is spent on things that the disability facilities grant buys is well invested. It often enables people to stay in their own homes, meaning that they do not have to go into expensive residential care. Investing in such things often makes a great deal of sense.

The point made by the hon. Gentleman links well to one of the central points made by the right hon. Gentleman, which was that whoever forms the next Government will face a challenging set of public finances and that the vulnerable should not suffer in such circumstances.

[Mr. Harper]

The right hon. Gentleman put his finger on why that does not need to be so. Even if the Government have to reduce public spending—whoever forms the Government will have to do so—that does not mean that they will have to cut public services. He mentioned some of the changes in the personalisation of social care leading to money being spent in better, more effective and more innovative ways.

The public sector has to focus on delivering some of the things that the private sector has delivered over the past few years during this difficult economic period by improving productivity, doing things smarter and doing more for less to ensure that we can still deliver good services to people with good outcomes, even in a challenging situation. In respect of personalisation, the right hon. Gentleman put his finger on the way in which that circle can be squared and where money can be better spent. The points made by both the right hon. Gentleman and the hon. Member for Castle Point highlight that, regarding the public finances overall, spending money wisely is smart spending. We need to see more of that.

It is worth focusing on one interesting aspect of this recession that is a good thing—this is where I slightly disagree with the hon. Member for Edinburgh, West—which is that the impact on employment for disabled people has not been too bad. Disabled people have not suffered as much as others from the downturn. The Equalities and Human Rights Commission produced a report recently, last July, looking at the impact of the recession on various groups, including disabled people, which said that they had not been disproportionately affected. Clearly, they have been affected just the same as everybody else, but they have not been disproportionately affected. The only caveat to that is that the EHRC said that part of the reason for that was that disabled people were not as employed as everyone else: they started from a relatively low base. However, having said that, it is good that the recession has not had a disproportionate effect on disabled people and that the gains that they have made in terms of getting into work have not been reversed by the recession. That is welcome.

It is worth remembering that one of the key reasons that disabled people, before, during and after a recession—several hon. Members made this point, and the right hon. Gentleman also made it when mentioning the excellent Leonard Cheshire report about disability poverty—are poorer is that they are less likely to work. Whoever forms the next Government will have to improve the number of disabled people who get into work.

I am happy to say that the Government have made some progress—the employment rate has gone up, as the right hon. Gentleman said, but I think that everyone would agree that it has not increased as much as we hoped. The big challenge for whoever forms the next Government is to make serious inroads on the significant number of people on incapacity benefit and employment and support allowance who still have not been able to get into work. The tragedy is that there are now more disabled people on those two benefits than there were in 1997 when the Government came into power. The figure has increased by a bit—about 13,000—but it still stands at just over 2.6 million people, 800,000 of whom have been on those benefits for more than 10 years, so they have not been helped.

John Barrett: I thank the hon. Gentleman for his kind remarks. Does he agree that it is not just a question of what the Government can do and about Government policy; it is also about what employers must do? Many major employers to whom I have spoken in my constituency would go that extra mile to help employees who develop a disability to continue at work, but they do not take that extra care or consideration into their recruitment practice. It is vital to get employers on board in that respect.

Mr. Harper: The hon. Gentleman is right. He cautions us about one thing in particular. We spend a lot of time talking about those disabled people who are not working and what we need to do to give them help and support to get into work. The other side of that equation is ensuring that employers understand that the reasonable adjustments that they might have to make to employ someone with a physical disability, a mental health or fluctuating condition or, as the right hon. Gentleman said, people with learning disabilities, are often not that great. By making some relatively modest changes, we can ensure that such people have the opportunity to work and make a contribution and, equally, employers can take that into account in respect of people in the existing work force who develop a disability.

There cannot be an employer of any size that does not have someone on its staff with a mental health problem, for example, given that one in four of us will have one at some point in our life. An employer may not know that they have employees with mental health problems, but I am sure that they do have such employees. It is about encouraging employers to make changes to keep those people in work and help them to remain effective. Perhaps that is one of the gaps.

There are some good employers. The Employers' Forum on Disability has some good members who do excellent work. Perhaps that knowledge is not widely shared. That is a challenge not just for the Government, but for Members of Parliament when talking to employers in their constituencies. I always try to do that when talking to employers in mine. I ask them what they do to employ disabled people. Do they think about that? Do they think about their recruitment practices? We can all do that. All the campaigning groups, a number of which the right hon. Gentleman mentioned, campaign on that all the time.

When talking about getting disabled people into work, we must look at what the Government can do. The statistics on disabled people employed in the public and private sectors show that the public sector as a whole has a pretty good record, although it could do better, and that it employs a significant number of disabled people. The Minister will not be surprised, because he and I have had this little joust before, that central Government are not impressive at hiring disabled people. His Department has been working on that matter and he may say something about it in his speech: he has led some initiatives and employs someone with a learning disability in his private office, which is welcome. However, only 3.6 per cent. of employees in the two central departments of the Department for Work and Pensions—corporate services and shared services—have a known disability. That figure is not high enough: it is not as good as other Departments. Given that the DWP is the Department with the Minister for Disabled People, it

ought to be doing better. The Minister has started work on that and whoever forms the next Government needs to continue doing it and taking it further.

The Parliamentary Under-Secretary of State for Work and Pensions (Jonathan Shaw): An important feature of the percentage of disabled people in Departments is that it is measured on self-declaration. The Employers' Forum on Disability does not advocate that people should be forced to declare. When we do anonymised surveys, the percentage rises to around 13 per cent.

Mr. Harper: That is interesting, but it highlights an issue. Why are employees happy to say that they have a disability in an anonymous survey but not prepared to be open about it? It is important, not just for the Government but for companies, to create an environment in which people are not forced to disclose a disability, but feel comfortable about doing so and feel that their disability will not be a disadvantage and that, if they need any adjustments, those will be made without fuss and they will be treated exactly the same as everyone else.

The Minister's point perhaps shows that more progress has been made, but it is worrying—this is not just true in Government—that a significant number of people are concerned about being open about their disability, not necessarily because of the reaction of their managers, but perhaps because of the reaction from their colleagues. They are not confident that disclosure will not set back their chances of success. That is not just an issue in Government: it is an issue in society as a whole and we all need to work on it.

I have some specific questions for the Minister on welfare reform and on getting some of those on incapacity benefit and employment and support allowance into work. Notwithstanding the progress that has been made, there is evidence that there are issues with some of the Government's programmes. For example, when I asked the Minister how many and what proportion of those claiming employment and support allowance had left the benefit to go into work since its introduction, he could not give me the information and said that it simply was not available. If the Government do not know how successful the benefit has been, and how many people leave it and get into work, it is difficult to assess how successful their employment programmes are.

There seem to be some worrying signs that the Government's flagship employment programme for disabled people on out-of-work benefits—the pathways to work programme—is not working as well as we hoped. Employment programmes will be critical as we emerge from the recession, the economy starts to grow, and we try to get people back into work. The Government's White Paper in December 2009 said:

"When Pathways to Work was extended to new areas, following the initial pilots, no employment impact was found."

The latest data show that, in provider-led areas, less than one in 10 claimants going through pathways to work have moved into work. Later data show that there is parking and creaming—the right hon. Gentleman referred to his concern about that—and that those who need most help are left on one side and not helped. Government research and their report, "The influence of outcome-based contracting on Provider-led Pathways to Work", said that there is

"management pressure to focus on job ready clients"

people who are not that far from the labour market—with

"less time being spent with clients who are further away from work…Parking (giving other clients a bare minimum of service) was seen as appropriate practice"

to which

"there was a clear management steer".

There was concern that

"outcome-based contracts do not reflect an expectation that providers will work with the harder to help."

That is important, we must be able to help those who need most help and who may have been out of work for the longest time. The right hon. Gentleman raised that concern. It is one reason why, as we suggested, we must use private and voluntary providers, as the Government are doing, but we must be more rigorous about paying them on outcomes.

My hon. Friend the Member for Tatton (Mr. Osborne), the shadow Chancellor, said that that would enable a Conservative Government to use the savings from benefits to do as the right hon. Gentleman said and reinvest the money in employment programmes, partly to scale them and have a reasonable expectation of dealing with the hundreds of thousands, if not millions, of people who are out of work and need help, and importantly to pay an amount of money that varies according to the help that people need to get back into work. If someone has been out of work for many years and perhaps has a complex disability, a provider could be given a significant sum to invest in training, help and support to get that person back into work, whereas someone who is not so far away from the labour market, has perhaps not been out of work for long and needs only a small change in their skills will not be given as much because their case is much more straightforward. That variable amount of investment is critical in ensuring that the hardest to help are not left on one side, which is what the right hon. Gentleman suggested might be happening.

The right hon. Gentleman flagged up some concerns about work capability assessment. Several organisations have raised such concerns with me, and whether the test properly assesses someone's capability to work. The Minister has acknowledged that there are concerns about that, and the Government are looking into those issues, some of which have been reported by staff. Some work has been done. The Government's internal technical review, and the independent review are due to be published later this year. It would be helpful if the Minister told us what medical experts and representative groups he has been working with on the Government's review, whether a draft is ready, whether he can give a commitment on when the final report will be available, whether any changes have been identified in the work capability assessment, which would need to be changed in regulations, and whether any work is under way to draft them.

A specific matter was raised by Macmillan Cancer Support, and parliamentary questions were asked about it. Those with terminal cancer are not expected to undergo a work capability assessment, and there is supposed to be a process whereby they move straight to the support group so that they receive help immediately. That is important for those with a terminal diagnosis.

[Mr. Harper]

The process is good, but Macmillan Cancer Support has suggested that that does not always happen, and that some people with terminal disease have been asked to undergo a work capability assessment when it is not appropriate. It has produced a report, and perhaps the Minister will tell us whether there has been any progress on tightening that up.

The right hon. Gentleman spent quite a lot of his speech on personalisation and the right to control, and rightly so. The change is supported by all three major parties in the House, and we all agree that we would like it to go faster. He highlighted the progress that has been made so far, which is welcome. Measured from a low base, there has been a lot of progress, but from the other end of the telescope, considering the number of people who receive social care and could benefit from a more personalised approach, we still have a long way to go.

We supported the right to control measures in the Welfare Reform Act 2009, and we worked with Cross Benchers in the other place to persuade the Government to include social care funding. I am pleased that that has been included in Trailblazers, but I confess that I am a little disappointed that Trailblazers will not start until later this year and will run for another two years, which could delay the roll-out in the rest of the country. I had a bit of fun when Trailblazers was given that interesting title. I agreed with the Minister that the name Trailblazers, instead of pilots, indicates the direction in which we are moving, and that the debate is about how we do that, how we can be most effective, and how the rules work.

My one concern relates to the written statement of the Secretary of State for Work and Pensions on 25 February, when she announced Trailblazers and said that the

"findings will help inform the decision as to whether the Right to Control can be rolled out further."

That was unhelpful. My understanding was that we want the right to control to be rolled out further. The issue is not whether, but how, and the lessons to be learned from Trailblazers are to ensure that we can roll out the right to control further, include more funding streams, and do so more effectively. I should be grateful if the Minister confirmed that that is the Government's intention, and that the use of the word "whether" does not suggest any reticence in rolling that out. If there is a clear message from him and a clear statement from me, people will be clear that that personalisation approach will continue whoever wins the election. That is important for local government, who will do much of the work. Local authorities need to know that, whoever becomes the Government at Westminster, that approach will continue—I hope that it will be speeded up—and they cannot use the impending general election as an excuse to go slowly, but must continue to roll that out for the benefit of those who depend on social care.

Equality 2025 is the Government's advisory body, which includes disabled people, and gives the Government advice on how to make progress towards their objectives on disability equality by 2025. The Minister will know that there has been a review of Equality 2025. I asked him some questions about that, and he said that the report was not published immediately to allow officials in the Office for Disability Issues to fully consider and implement the recommendations. He said that the Government will publish the report by the summer, and I wonder whether he could be more precise about the timing. Can he tell the House anything more about those proposals, what is in mind, and how the proposals will increase the effectiveness of Equality 2025 in advising the Minister on disability policy?

In conclusion, the right hon. Member for Coatbridge, Chryston and Bellshill has done the House a service by securing this debate and giving us the opportunity to talk about these important issues. Although there are some disagreements about what has been done and the pace of change, there are a lot of shared views on all sides of the House about the importance of enabling disabled people to get into work and about personalisation. Whoever wins the next election, I hope and believe that we will see further progress in that important area of policy.

10.30 am

The Parliamentary Under-Secretary of State for Work and Pensions (Jonathan Shaw): It is a pleasure to serve under your chairmanship, Mr. Olner, and to respond to the debate led so ably, as always, by my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke). I am grateful for the contributions of all hon. Members, for their tone and for hon. Members' passion about keeping this important agenda moving forward. I will limit my remarks to answering some of the questions, and I will build my speech around the questions raised by right hon. and hon. Members.

Employment is a key and fundamental issue if we are to achieve our objectives of equality by 2025. In the road map that we have published recently, that is one of the 14 important strands of work identified not by the Government but by disabled people. As the hon. Member for Edinburgh, West (John Barrett) rightly pointed out, the whole road map, and employment in particular, is monitored by disabled people and reported on regularly. That initiative is led ably by Baroness Jane Campbell, who I am sure all hon. Members hold in the highest regard.

John Barrett: One issue that is raised repeatedly by hon. Members on both sides of the House is the inability of parents who care for disabled children to find child care. That makes it difficult for parents to obtain employment, and flexibility from employers is needed. The parent could be able-bodied, but the problems of child care and flexible working arrangements can be a barrier to employment and income for that family.

Jonathan Shaw: I am grateful to the hon. Gentleman for raising that point. He will be aware that as part of our carer's strategy, we have developed care partnership managers, and within that funding stream there is opportunity for replacement care. I met with care partnership managers from a number of areas in the UK, along with Carers UK, the Princess Royal Trust for Carers and Crossroads Care. All reported that they were pleased with the development of the care partnership managers who work in communities on the ground and bring together different care groups to provide carers with information about opportunities for work. There is a budget stream to provide for replacement care. These are early days, but that type of initiative has been

welcomed and we need to develop the infrastructure on the ground so that it has an impact on the group in the way described by the hon. Gentleman.

May I also echo the words of the hon. Member for Forest of Dean (Mr. Harper) in wishing the hon. Member for Edinburgh, West well, and acknowledging the contribution that he has made to our discussions and debates, and to the whole issue of disability rights across the country? Although he has no ambition to remain in this place, I detect a passion and know that he will continue to champion the issues that are important to him. I am sure that they are part and parcel of some of the reasons why he came into public life in the first place.

The hon. Member for Forest of Dean is right to say that disabled people have not been disproportionately affected during the economic downturn. Of course we recognise that many disabled people have lost their jobs, but we know from labour market statistics that many people are finding jobs as well. Around one third of people get back into work within three or six months, and after that period there are a lot of support programmes. One point that it is important to focus on is the fact that disabled people are considerably under-represented in the type of industries that have been badly affected by the recession, such as the construction industry, for example. As the hon. Gentleman said, a higher proportion of disabled people work in the public sector, and all hon. Members have discussed how we should manage public funding in the future. That is something that we have to keep an eye on.

Our ambition is to see more disabled people in employment. My right hon. Friend the Member for Coatbridge, Chryston and Bellshill pointed out that we have seen an increase in numbers, and we want to build on that work. That is why we have developed work programmes such as pathways to work, access to work and the future jobs fund, which assists disabled youngsters up and down the country. It is about developing the infrastructure, bringing together partnerships on the ground and developing relationships between councils, Jobcentre Plus, regional development agencies and employers, to ensure that those opportunities arise. We have seen that with the local employment partnerships, which have been a tremendous success.

We are not able to flick a switch and suddenly have all that infrastructure and all those relationships in place—it takes a while. We have not had a programme like pathways to work before. The figures that the hon. Member for Forest of Dean mentioned are right; it is disappointing that we have not seen the numbers that we expected. However, when talking to providers from the public, private and voluntary sectors, I have found that relationships are maturing on the ground and that there is better co-operation.

I was in Rochdale recently, where there are a high number of people on incapacity benefit and employment and support allowance. In the Shaw Trust building, there were also Jobcentre Plus staff working. We are seeing organisations harness their energies on the ground, and that is essential if we are to take the agenda forward. It is not about flicking switches but about building up partnerships. Of course there must be accountability, and I agree with the point about ensuring that we have outcomes. However, we must have a service fee for certain groups, particularly if we want to see a flourishing third sector and small organisations taking part in employment programmes with their specialist knowledge. They obviously need a cash flow, and to have to wait for a year would be challenging and difficult. We have developed the prime contractor model that takes the bulk of the contract and then partners up with specialist organisations. We must ensure that those relationships are fair and equitable.

The hon. Member for Forest of Dean made a point about parking. We commission reports to look into our programmes, and they deliver criticism. That is a reflection of a mature Government and we must respond to that. We all want these initiatives to work and we will test a number of models to ensure that we get the right formula. None of these things have been tried anywhere before; we are leading on this. Rather than flicking switches or clearing the decks and starting again, it is about evolving programmes and involving disabled people. That is why we will develop the accelerator funding model that rewards more those disabled people who have been unemployed for longer. We need to examine that and see how it works and whether it provides us with the right type of formula, but I suspect that we shall need a range of programmes to respond to the varying needs and the differences between the regions up and down the country.

The hon. Member for Forest of Dean asked about the work capability assessment. He will know that we involved disabled people's organisations with the design of that assessment. We can argue about the figures for incapacity benefit and we have traded those before, so I will not be tempted to go into that territory. If I was on normal form, I would, but I will not today. However, we do need to see a change in that respect and to consider what people can do, rather than what they cannot. We assess about 30,000 people every month. The professional health care people from Atos must have at least three years' post-qualifying experience.

I recently organised a seminar for all Members of both Houses of Parliament, with Atos and Department for Work and Pensions staff, to answer various questions. One question was asked by the hon. Member for Wyre Forest (Dr. Taylor), who is a medical professional himself. He raised the concern that our constituents often raise with us— "Have my GP's or specialist's reports been read?" He requested that we have a box on the assessment form to be ticked in order to be sure that the reports have been read and, within two days, that was done. It was the fastest policy change that I have ever seen, so I gave him the award for the fastest policy change of the Parliament. He was very pleased when I was able to advise him of the change, and now I am advising the House.

The personalisation agenda, which my right hon. Friend the Member for Coatbridge, Chryston and Bellshill rightfully put at the centre of his speech, is vital to achieving our ambition for equality for disabled people by 2025. We have the trailblazers, and there is an important distinction between trailblazers and pilots. We are doing that work, and when we say that we want to do more, it is not a case of stopping and saying whether we are going to do it; it is about how the funding streams interact with one another. The discussions and consultation that we have had on the Right to Control initiative say that we need to see how it works, not because we want to stop it but because we want to

[Jonathan Shaw]

get it right—because if we get it wrong, confidence in that new approach will be lost, which will mean delays to the way in which we want services to be provided for disabled people.

One of the things that will be essential in the trailblazers is access to good-quality advocacy and support. For the right to control to be equal, there must be good advocacy and support. Someone with a learning disability or a mental health issue may find it more difficult to navigate their way round the direct payments to which my right hon. Friend referred than someone with a physical disability. That is why the models that we need to examine through the trailblazers must ensure that there is good advocacy and support.

Mr. Tom Clarke: I am delighted that the Minister has touched on advocacy. Advocacy was at the heart of the Disabled Persons (Services, Consultation and Representation) Act 1986, and we have seen many good examples of best practice. Sometimes I worry, though, that we have not made as much progress as we might have in advocacy. I know that my hon. Friend often highlights that issue, but is it not positive, not only for the disabled person but for the advocate, to ensure that advocacy remains central to our approach?

Jonathan Shaw: I agree absolutely. I wrote to my right hon. Friend about the progress since the 1986 Act and I was going to come on to that. It was a little while ago—a whole hairline ago, sadly.

One example that I have seen is in Essex. The Essex Coalition of Disabled People provides direct payments administrative services for disabled people, with a contract from Essex council. I think that Southend and part of Cambridgeshire are also involved. That provides disabled people with sustainability of funding, and the funding is also used for other services such as good advocacy and support. With the trailblazers, when we are considering the models, we need to ensure sustainability of funding for good advocacy and support, because if the right to control is to work not just for one year but for all years, that must be in place and it cannot rely on year-to-year, hand-to-mouth funding. It is a central part of delivering successfully.

On the point that the hon. Member for Banbury (Tony Baldry) made, it is important that we involve voluntary groups. We cannot think that the right to control will be there for everyone. We must be wary of people who advocate only one way and who have an ideology in that respect. For the majority of people, the right to control will work, but for some people it will not work, so we do not want all the services to be run in a particular way. That is why, in relation to the trailblazers, where we have funding streams that will become individualised for things such as supported employment, we do not want services to collapse if people withdraw funding.

What the initiative will do is change the way in which the power exists at the moment, so rather than disabled people being the passive recipients of what the council, the health service or whoever says, they will have far more power. They will need to be consulted on, and involved in, services. Perhaps that will prevent the issues in local authorities that my right hon. Friend the Member for Coatbridge, Chryston and Bellshill described arising.

A number of hon. Members referred to stigma, hate crime and the discrimination that too many disabled people face. We have made a great deal of progress on that front in recent years, but we need to continue to fight the battle. In some ways, in these years, we are seeing the best and the worst in terms of inclusion. We all remember the fantastic scenes just up the road in Trafalgar square when our Olympians and Paralympians came back from Beijing. They included gold medal winners, and people were celebrating their achievement, not because they had overcome adversity in the way that the hon. Member for Edinburgh, West referred to, but because of their sporting prowess. It was a fantastic achievement.

Thirteen million people tuned in to the BBC's coverage of the Paralympics. That was more people than in any other country in the world. The Paralympics are a very important force for portraying a positive image of what disabled people can contribute to their country. This is about tackling attitudes, and if we can tackle attitudes, we can tackle behaviour. There is so much work to be done.

My right hon. Friend the Member for Coatbridge, Chryston and Bellshill mentioned the Equality and Human Rights Commission inquiry into hate crime, which was born out of the most appalling crime that took place some two years ago. Fiona Pilkington and her daughter Francecca were the victims of hate crime, which led to their taking their own lives. The most depressing feature of the case was that Fiona Pilkington had no expectation that anyone would do anything about it. The shame of that is shared by us all. We need to fight such crime.

The Olympics in 2012 offer us a huge opportunity to shift attitudes and change behaviour. I have no doubt—I am sure that none of us has any doubt—that we will win medals or that our Olympians and Paralympians will do a fantastic job in representing our country in our capital city and at the other arenas and venues around the UK. However, it is vital that we have a good number of disabled people working and volunteering at the Olympics. I am working closely with my right hon. Friend the Minister for the Olympics and disabled people's organisations to ensure that many thousands of disabled people—4,000 or 5,000—are part of the volunteer work force.

We need to look at things such as adjustments so that people who need personal assistants can take part. One can imagine people attending Olympic venues being welcomed and escorted to their seats by a young woman, perhaps with cerebral palsy, and her PA. That is one example, but what would it do to advance attitudes towards disabled people if we multiplied it by thousands? It is very powerful, and it is important that we do not miss a once-in-a-generation opportunity to use the power of the Olympic and Paralympic games.

Let me touch on access to work for people with learning disabilities. My right hon. Friend does great work with the all-party group. As hon. Members have said, we have not seen the increases that we would have liked in the number of people with learning disabilities getting employment. Shortly after I completed my social care course, I got my first paid job, as a care worker

with people with learning disabilities, so seeing the advancement of this group of people has been a passion of mine.

As part of our "Valuing Employment" strategy, the Department recently announced that it would employ 400 people with learning disabilities over the next year or so and work in partnership with our contractors. We will make access to work more flexible not only in terms of physical adaptations, but by making job coaches available. We will build on some of the work that we have undertaken with Project Search, an initiative that works particularly with public sector bodies and hospitals.

I recently met students with learning disabilities at the Norwich and Norfolk University hospital who had been given internships and learned about different jobs around the hospital. I was delighted to hear that many of them had secured full-time employment. Indeed, one of their colleagues told me how delighted she was when one of the young men came to her to say that he would be spending the weekend paintballing with colleagues from the hospital. He was taking part in a mainstream exercise, and they were including him as a friend and colleague.

Mr. Tom Clarke: I welcome my hon. Friend's positive speech, but does he accept that various charities have produced much evidence showing that people with learning disabilities do not get the attention from the health service that they need and deserve, because they do not have the facility to express their needs and wants? Will he consider the many studies on this subject and keep in touch with those of our colleagues who deal with health matters?

Jonathan Shaw: Indeed. As my right hon. Friend will know, the "Valuing People" document highlighted the fact that there was great inconsistency. As in many public services, there are shining examples of what is best, and we all want to see them across the piece. A woman with learning disabilities is entitled to receive the same public health treatment—the same screening for breast cancer or cervical cancer—as anyone else. A number of charities and organisations for people with learning disabilities have developed Easy Read so that such people can properly understand their health needs and the various processes and procedures that they need to go through to live a healthy life. I was recently in Rochdale, where I was shown an Easy Read booklet about a whole range of matters that had been published for people with learning disabilities. However, we must continue to keep that under review.

Before I conclude, I should say that although my hon. Friend the Member for Glasgow, North-West (John Robertson), who is sitting behind me, cannot contribute to the debate because he is my Parliamentary Private Secretary, we all acknowledge that he has made a huge contribution to work on disabled people's issues in his time in the House. Indeed, shortly after the debate, I will be speaking on Insight Radio, which is based in his constituency and run by the Royal National Institute of Blind People. In Committee and on Report, my hon. Friend laid an amendment to the Welfare Reform Bill to ensure that a higher rate of disability living allowance is paid to 20,000 blind people, which will assist them enormously. The RNIB ran a great campaign, and I am delighted that there was cross-party support for it.

Mr. Clarke: I am sorry if I appear to be pursuing my hon. Friend, but he is so interesting and he is giving us many ideas. I would like to have had time to raise an issue that has worried me and many others for many years—the number of people with learning disabilities who find themselves in prison. It is often thought that the courts send them there because they cannot think of anywhere else to send them. Baroness Stern has had a great deal to say on the issue, as have Nacro and Sacro, and that will not have escaped the attention of my hon. Friend and other colleagues. It really is very worrying to see such things in this modern age.

Jonathan Shaw: That is right. Before I conclude, I will refer to the report by Leonard Cheshire. If we tackle poverty, that will have a significant impact on tackling the number of people in prison. I am not saying that there is a direct link and that being poor means that people will commit crime, but we know that people living in poorer conditions can be tempted down that route. To tackle the numbers that my right hon. Friend mentioned, we need to ensure that we have better educational outcomes, better skills and better employment opportunities, and we need the hope that disabled people can contribute to mainstream society. That would have an impact on the number of people with learning disabilities going to prison, and I have been in correspondence with colleagues at the Ministry of Justice about the issue.

A couple of weeks ago, my right hon. Friend kindly chaired a meeting to discuss the 40th anniversary of the Chronically Sick and Disabled Persons Act 1970. At that meeting, my right hon. Friend Lord Morris of Manchester talked about how he had managed to get the Act on to the statute book. He reminded us that when he first introduced his Bill in 1969, he had drawn first place in ballot for private Member's Bills, but only one organisation for disabled people contacted him after he wrote around. Oh, how times have changed—and that is a good thing.

As Lord Morris told us, organisations did not write to him because they had no expectations, given that disability issues had not been debated since the 1940s. We have made great progress in the past 40 years, but we need to do more for the advancement of the 10 million disabled people in this country. We need to do that for the sake not just of those 10 million people, but for the sake of all 60 million people who live in our society.

Physics Research

10.59 am

Dr. Evan Harris (Oxford, West and Abingdon) (LD): It is a pleasure to have the debate, and I am delighted that there is so much interest in it among parliamentarians and the public, given that we are competing with astronauts and the like at the launch of the new space strategy. Of course, those matters impact on physics and its funding, and the future and health of physics research in this country impact on our ability to exploit discoveries in space.

I want to concentrate on two different areas: the funding problems and other problems at the Science and Technology Facilities Council, which is one of the funding bodies for physics, although not the only one, as physics is funded also by the Engineering and Physical Sciences Research Council and several physics projects are funded by other research councils; and future careers in physics and the supply of physicists for teaching and research.

It would be inappropriate in what will, I think, have to be a short speech, to go through the whole history of the creation and funding of the STFC, but right hon. and hon. Members will know that it has been beset by problems from its birth. I remember being in a Delegated Legislation Committee dealing with the regulations setting up the STFC. It was a merger of the old Particle Physics and Astronomy Research Council and the Council for the Central Laboratory of the Research Councils, which managed the large facilities. I and my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis) were concerned, in that debate, about whether the STFC had a sound financial basis, given the liabilities that were being carried forward into the new research council by the CCLRC. We were given assurances by the Science Minister at the time that everything would be fine and that the STFC would not be destabilised by any funding problems and concerns that affected the large facilities council that was to be one of its parents.

It is clear, objectively, that that assurance was not delivered on. The recent report by the Select Committee on Science and Technology, about research council allocations, which looked closely at the STFC, made several criticisms of the way it had been put together, and of funding decisions. Two years ago the council had a flat cash allocation. Despite spin from the Government to the effect that it received a significant funding increase, it clearly did not, going by the funding that could actually be spent, as opposed to allocations relating to the value of buildings and facilities. That has led to great distress in the science community at large and the physics community in particular among those people who rely on grants to fund their research in particle physics and astronomy. A number of other areas are funded by the STFC.

Lembit Öpik (Montgomeryshire) (LD): I congratulate my hon. Friend on securing the debate. Does he agree that astronomy, which is the area of greatest interest to me, is financially beleaguered because, despite our having world-class resources and facilities, such as those in Armagh, those concerned are always fighting for what feels like a very tight fund? The Government commissioned a report on near-Earth objects, which made 14 recommendations, only one of which has been implemented. Does he agree that, if the Government are serious about astronomy, they need to make a serious and long-lasting funding commitment to it?

Dr. Harris: I agree. The failure to capitalise on initiatives and drive them through is symptomatic of the problem. There is not money for the here and now, and it becomes difficult to plan for the future. I pay tribute to my hon. Friend for his commitment to astronomy and for his significant role in the all-party group on astronomy, and to his family for their contribution to space research and discovery.

It is well recognised that there is a problem in the funding of astronomy and particle physics, and I hope that the Minister will at least recognise that. It is a problem that cannot be allowed to fester; it must be solved. There are at least two ways to solve it. The Government's proposal is to accept all the planned cuts, make a new start at a lower level of funding, and see whether we can find a way to protect and give stability to the STFC and physics research budgets. Alternatively, we could say "No, we will not accept that serious damage should be done now. We must find a way to rebalance the position to the status quo ante—the position before the significant cuts in funding, and particularly grant funding, that are proposed for the community."

I do not think that I can go through the list now. It can only be described as a bonfire of the acronyms—the projects whose funding is due to be abandoned or significantly reduced. Behind those acronyms lies a great deal of good science, and many good people have planned their careers on the basis of being able to see through those projects and of UK participation in those projects. Even if the Government, and politicians more widely, do not think long term about research priorities, the individuals who do the work—particularly those in the public sector, who are not well paid compared with their private sector colleagues or, indeed, compared with what their skills could get them in the private sector—must think long term. They must plan their careers, and where they and their families will live.

Behind each budget cut is an individual story of great distress, and of people's planned careers being cut. That is happening not because of anyone's inability to make a scientific case in open competition through peer review, on a level playing field—that is always the risk in science—but because of what those people see as near-arbitrary cuts in the programme, and an arbitrary or at least non-transparent decision that means that, although the Government have boasted of an increase in the science budget, the funding for research grants in their field has fallen. That means that the success rate for grant applications in that area of work, which was already low because of the tough competition—which is a good thing—has fallen even further. In addition, of course, the bonfire of the acronyms means a blow to the UK's credibility as a long-term partner for projects involving scientists, research institutes and funding from other countries and their Governments.

Bob Spink (Castle Point) (Ind): Does the hon. Gentleman agree that blue sky research is most important, and that it should not stall under the current difficult economic conditions? The large hadron collider is one such case. We do not know whether it will tell us much about the Higgs boson or what it will tell us about fundamental particle physics, but it is likely to lead to discoveries that could help to resolve the world's key problems, including medical problems, so it is not something that we should discard lightly. We should continue to support it, and other blue sky research projects.

Dr. Harris: I agree with the hon. Gentleman, who is greatly missed on the Science and Technology Committee, where he made a unique contribution, and a strongly supportive one in certain areas. I remember him particularly being a great advocate of embryo research. As an engineer he will recognise that it is not only our commitment to the large hadron collider, which has been protected in all that has been happening, that is important; experiments based on, but separate from, the subscription to the large hadron collider are part of some of the projects that are threatened. The funding of those—and our participation—seems doomed to end unless alternative funding can be found.

That is one of the tragedies of having large facilities that cost a great deal of money to build and run but do not maximise our country's and the physics community's exploitation of those facilities, because the funding to maximise the use of the resources is not available. Those are the fundamental problems with the planned cuts to specific, named projects. In addition, of course, there is the lower success rate for grant applications, because of the shortage of funding for direct grants.

It is appropriate at this point to consider how the Government propose to solve the problem. It varies between refusing to accept that there is a problem and launching a review of the structure of the STFC. Indeed, Lord Drayson, the Science Minister, did the latter on 16 December 2009. That was the right thing to do, because there is a problem. One does not come up with proposed solutions, however strong, unless one first recognises that there is a problem. It was unfortunate that on 16 December Lord Drayson should have said that he welcomed the results of the STFC prioritisation, because one person's prioritisation is another's posteriorisation. It is not appropriate for politicians to hide behind words when talking about significant cuts in funding.

According to the press release, Lord Drayson said that there are

"real tensions in having international science projects, large scientific facilities and UK grant-giving roles within a single research council."

However, the proposal that has emerged is that the research council should not be split. There is a difference of opinion about that, but I do not want to dwell on that aspect. I have a series of questions about the meaning of some of the alleged solutions emanating from the announcement of 4 March on the new arrangements for the STFC.

According to the press release, the proposal is that

"reducing the pressures from the international subscriptions and UK-based facility operations would substantially remove the risk that unexpected pressures would lead to a disproportionate pressure on the STFC's grants portfolio."

I am not sure that reducing the pressures would substantially remove the risk. Eliminating them would substantially remove that risk. Unexpected pressures resulting from changes in the exchange rate and the cost of running facilities would lead to disproportionate pressure on the STFC's grants portfolio.

What the physics community is looking for from the review is not the promise of another review, future negotiations or other ways of reducing the risk, but clear solutions to the problems that do not further disadvantage physics funding and do not set the STFC's budget for grants at its current low level. That is the subject of my questions.

The press release said:

"It is important that STFC adheres to its new balanced budget going forward".

That means, I think, that according to the Government the STFC needs to adhere to its new reduced budget for grants. So much money is being given in subscriptions because of the low rate of sterling against the euro and other currencies. Will the Minister confirm that adherence to the new balanced budget means that there will not be a readjustment of the funding in grants up from the current level—that we are where we are, and that we have to get used to living without British participation in a number of projects, and with a lower rate of success in grant applications?

The press release goes on to state that there are two

"significant short term pressures on STFC"—

I think that this is the right analysis—

"sharp and sudden variations in exchange rates arising from international subscriptions, and the funding of demand-led large domestic facilities."

I think that that is correct. However, they are not short-term pressures if the damage that is done to the available funding for grants is not corrected. If that is not done, what would have been short-term pressures will become long-term funding reductions. Will the Minister say whether the STFC's grant budget is fixed in stone at its current level? Whatever solution is introduced, it will not redress that problem.

The press release pointed to the

"considerable support provided by BIS to STFC in recognition of adverse exchange rate movements this year and last, some £40 million in total."

That was a mixture of grant and loan. I understand that some of that loan was to be repaid from future years, or the next year. Will the Minister clarify that? If he cannot do so today, I ask him to make it explicit in a letter to me. I want to know exactly how much of what has been given to the STFC for each of the past two years and for the current year to support its budget has to be repaid from future budget allocations. Will that still be the case if no further grant is awarded and the exchange rate is fixed so that the Treasury takes the risk above a certain level?

If there is no future support, and there is a buffering of exchange rate variations, which might seem sensible, the key question is: at what level will the buffering take place? If it takes place at the current level of the pound—it is likely that the pound will increase and that the STFC could benefit, having more cash to spend from such an increase—and if that windfall goes to the Treasury, above a £3 million buffer, the STFC will not benefit. Indeed, it seems that it will not benefit from the grant and loan support that it currently receives.

I ask the Minister to reassure me that there will not be a double whammy. What has gone down might go up. The STFC has lost out from what has gone down. Will it miss out on the benefit from what goes up and lose its grant support? That will have serious implications for its future health.

Lembit Öpik: I am grateful once again to my hon. Friend for giving way. Does he agree that the Minister needs to understand that such questions are important because increased and reduced budgets cannot be easily accommodated in the long-term planning of physics

[Lembit Öpik]

and astronomy? In other words, an increase or a decrease in budget can be catastrophic to long-term initiatives of benefit to the country. We need clarity, even if it is slightly bad news, because the scientific community could at least plan to live within its means.

Dr. Harris: That is right. What was disappointing about the press release and the announcement is that, in many cases, it was not a long-term solution. I realise that funding for the support of large domestic facilities will be ring-fenced, and that arrangements will be made for other research councils to pay their fair share, and I welcome that. However, in respect of international subscriptions the press release says only that

"from the next spending review onwards...BIS is looking at options for managing the currency risks better."

I thought that it was doing so before 16 December 2009, and before the review. If it is still doing so, it is not the long-term solution that we need.

The press release states merely that

"BIS is working closely with the Bank of England on how to reduce the exposure of the STFC."

It then states that a "new arrangement will provide". A new arrangement might provide, or would provide, but no new arrangement has been proposed as yet. I would be grateful for some clarity on that. I have seen proposals whereby the Treasury will take the risk and benefit of any changes that have an impact greater than £3 million on budget exchange rate changes, but the key point is where the baseline is drawn.

Criticisms have been made, not least in the report of the Select Committee on Science and Technology, about the management of the STFC. I shall not speak for or against the recommendations or the criticisms made in the science community. However, politicians should take responsibility for the overall budget position, and not seek to hide behind their failure to recognise that there is a problem—or behind those individuals running the research council. The Haldane principle makes clear that it is for research councils, through peer review, to allocate funding to specific projects. I realise that, but the Government must take responsibility for the overall allocations to research councils. They are made by the Government.

In the remaining time, I wish to deal with the question of scientific careers, particularly in physics. At the moment, it is difficult. People working in university physics laboratories that are funded by the STFC or the Engineering and Physical Sciences Research Council—the success rate for grant applications to the EPSRC is so low that it has taken the unusual step of placing a ban on repeat funding applications—are not happy with the situation. When PhD students or young post-doctoral students in such departments seek advice on whether it is a healthy area in which to work, they get the answer that one would expect from more senior researchers who are facing difficulties with ongoing funding and with cuts in the projects on which they are working, often in collaboration with other countries which are not withdrawing support. What advice do those researchers give to the undergraduates, doctoral students and post-doctoral students in their department? They will not tell them that it is great field in which to work and that the future is healthy. They will tell them the opposite, which will lead to problems in retaining some of the brightest and the best that we need. We have that problem throughout our education system, which my hon. Friend the Member for Mid-Dorset and North Poole (Annette Brooke) will talk about.

We still have a fundamental problem with the number of entries to A-level physics. Data from the Joint Council for Qualifications show that between 1985 to 2008, there has been a slow and inexorable reduction in numbers. Indeed there was a year-on-year reduction until 2006-07. There was a slight upturn in 2008, but the number was still the third lowest since 1985. Although there has been an improvement in mathematics and, to a certain extent, in chemistry, we have not seen the same in physics.

Without people taking physics A-levels, it is hard to see how we can encourage them to take physics degrees. Other data from the Higher Education Statistics Agency, which the Minister must be intimately acquainted with—I am sure that it is his bedtime reading given his worries about the state of higher education funding, and it may even help him get to sleep—show that the number of applicants to study physics as a first degree qualification has not risen since 1985; indeed, the number has been flatlining. Therefore, despite the best efforts of this Government to promote science, which have been far better than those of the previous Government, it cannot be said that they have been successful.

One of the reasons is that we are in a vicious circle. Students are not studying physics and graduating in sufficient numbers with physics, so there are not enough people who have the necessary specialist background to go back into teaching physics to inspire the next generation of young people to study physics at school. That circle must be broken. I do not see how that can be done while the Government continue to pile debt on students.

Students will not choose—if they can do the maths and these students can do the maths—to take relatively low-paid jobs in teaching or in research when they can go into other jobs in, for example, the finance sector where their numeracy is not only well regarded but much better rewarded. Public sector teaching posts and research posts will never be able to compete with some of the salaries that are on offer in the City, but the Government can make an effort by not imposing a further distortion of career choice by piling huge amounts of debt on graduates. Students know that that debt is there waiting for them when they pass the threshold and will hold them back in their ability to get a mortgage and settle down with a family. Moreover, they will see their peers, who are in other fields, get on the housing ladder much earlier. That is a real problem.

The first thing that I want to hear from the Minister is that he recognises that we have not made progress in the number of entrants to physics A-levels and physics degrees. I want to hear those words from him, because the first law of science is to define the problem. If we are not able to define or recognise the problem, it will be difficult to find the solutions that we need.

Another problem is that half the population—the female half of the population—are not staying in physics or in engineering. The burden of debt is a particular problem for them. There is obviously a stereotyping of careers going on and a question over whether careers advice is adequate in girls' schools or to girls in schools, given the relatively small numbers who study the subjects. The Royal Society report recently demonstrated a significant leaky pipeline, which is much greater for women scientists

than for male scientists, and much more work needs to be done by research funders to identify the problems, to do exit interviews, to do surveys and to find out why the people they fund are leaving science in such a way.

A short debate such as this is not enough to do justice to all the information that I have been sent, and I am very grateful to the people in the field for sending me the information and background, to the Institute of Physics and to the research councils themselves that have provided briefings.

In the next few weeks, as we go through to the general election, I hope that physics and science will have a very high profile. I will continue to make these points, seek to hold the Government to account and hope that we will see, in the general election, a clear difference between the parties on the specifics of funding. I hope that my own party will make it clear that it will find the resources from existing budgets to re-stabilise the STFC, and that we have clear proposals to give stability to physics funding.

We need to break the vicious cycle that exists for physics students, physics graduates and physics teachers. We have failed to break out of that cycle over the past 20 years and, disappointingly, during the tenure of this Government. I recognise that the Government have increased the science budget in real terms and that, overall, science spending has increased, but the fundamental facts, as set out in the Royal Society report, are that our share of spend on science as a proportion of our GDP is no higher now than it was when this Government came to power and no higher than it was during the Thatcher years. We have not solved the problem and we must not be complacent. I urge the Minister not to be complacent because we are far, far away from the target of 2.5 per cent. of GDP being spent on science, and the trickle-down effect of the failure to meet that target can be seen in physics and so many other subjects. I look forward to hearing his response to this debate.

11.27 am

Mr. Andrew Smith (Oxford, East) (Lab): I congratulate my fellow Oxford MP, the hon. Member for Oxford, West and Abingdon (Dr. Harris), on securing this important debate. Physics is vital to Oxford and Oxfordshire, to science in the UK and to our economy more generally. I, too, thank the Institute of Physics and others who have sent me very helpful material on the matter. It was an Institute of Physics report that suggested that nearly 6.5 per cent. of the UK economy is critically dependent on physics research. Beyond that, the physical sciences drive something like a third of the UK economic output.

High-tech manufacturing accounts for half the manufacturing jobs in the UK, and the UK is a major venue for science, with UK businesses attracting £4 billion in inward investment to fund research and development. Such increases in private investment in research and development followed rises in public investment in science. In that sense, the increases over the past decade, which I was pleased the hon. Gentleman acknowledged, have had a significant and dramatic impact on the UK economy. In that context, it is all the more tragic that we face some of these pressures and dilemmas.

Lembit Öpik: Does the right hon. Gentleman agree that we have only to look at the long-term impact of the Apollo space programme in the United States to see how what could be regarded as pure research or the pursuit of scientific goals directly impacts on the capability of the economic sector to make profit for the industry? Indeed, the United States is still benefiting from the investment that it made in the 1960s.

Mr. Smith: Yes, indeed. The difficulty of forecasting the economic impact of blue-skies research is something that I will come to later.

I share the concerns voiced by the hon. Member for Oxford, West and Abingdon about the pressures facing the Science and Technology Facilities Council in general and physics funding in particular. As I have said, those pressures are tragic, given that they come after an unprecedented investment in science in recent years. I certainly reinforce the questions that the hon. Gentleman asked about the future of the STFC grants and I urge the Government to look very carefully at that area of funding again.

There is an important question to be asked about who should carry currency risk; there is indeed a case for its being a responsibility of the Treasury. However, if that is the case, there must be an understanding and an agreement of the long-term real international currency-weighted value of the commitment that is being made to these international projects.

As I said, Mr. O'Brien, UK science was starved of investment for many years before 1997 and a real difference has been made by the increases since.

Adam Afriyie (Windsor) (Con): The right hon. Gentleman said that science was "starved" of funding. However, as the hon. Member for Oxford, West and Abingdon (Dr. Harris) has pointed out, the percentage share of GDP that was invested in science during the years that he mentioned is exactly the same as the percentage share of GDP that is invested today. So is the right hon. Gentleman arguing that the Government today are starving science of money?

Mr. Smith: No. Of course, there has been a considerable increase in GDP as well. The figures that I am citing today—for example, the science budget is nearly £4 billion a year now, having been virtually doubled—show that there has been a very substantial increase in investment, and science has benefited from that. I acknowledge the pressures on science funding and indeed I am calling on the Government to look again at the situation facing the STFC in general and physics funding in particular. However, it is only fair to acknowledge the progress that has been made and I hope that the hon. Gentleman will do so.

Furthermore, the hon. Member for Oxford, West and Abingdon referred to the importance of science in the context of the general election and the debates that we will be having in coming weeks. If the Conservative party wants to cut public expenditure more quickly than the Government are proposing to, the hon. Member for Windsor (Adam Afriyie) must say either that cuts in science funding will be greater than those proposed by the Government or that funding will be cut somewhere else to prevent the cuts to science funding that would otherwise happen. There must be an honest debate about cuts too.

Adam Afriyie: I am really glad that the right hon. Gentleman has raised that issue, because it is entirely in the Government's hands to produce a comprehensive spending review. They have refused to do so and that is

[Adam Afriyie]

what is creating all the uncertainty around the STFC and many of the other research councils. So it is a bit rich of the Government to accuse the Opposition of not coming clean on figures when they have all the figures to hand and all of the powers to make a decision to hold a CSR.

Mr. Smith: I did not actually accuse the hon. Gentleman of not coming clean. What I said was that, as the Conservatives had come clean and said that they wanted to cut public expenditure harder and quicker than the Government are proposing to, there are questions that they had to answer.

I apologise, Mr. Olner. I think that I called you Mr. O'Brien a few minutes ago. That was my mistake and I apologise for it.

Mr. Bill Olner (in the Chair): One Mr. O'Brien is younger than me and one is older than me.

Dr. Harris: I thank the right hon. Gentleman for his contribution to the debate. We often face each across this Chamber because we have many interests in common. I hope that he will recognise two important points. First, the capital spending of his Government—the Labour Government—has been significant, in higher education in particular. That must be recognised and I recognise it.

Secondly, however, the recurrent funding in science spending as a whole is not a doubling. The doubling of the science budget has run simultaneously with the reduction in spending from departmental budgets. So, although there has been a 40 per cent. real terms increase in overall science spending—not a doubling of the spending—science is only getting its fair share of GDP growth. That is more than science received under the Conservatives, but it is no more than science's fair share and that is why we are still well behind other countries in the proportion of our wealth that we spend on science and research.

Mr. Smith: Like the hon. Gentleman, I want science and physics to have an even fairer share.

The hon. Gentleman mentioned capital. I want to talk briefly about the Science Research Infrastructure Fund, which was another success story in terms of the boost that it gave to facilities and to staff morale by attracting staff from overseas. It also impacted positively on student numbers and encouraged greater use of facilities by businesses, including smaller businesses. However, since the SRIF ended and funding became part of the full economic cost of research allocated by the research councils, there is now some concern that the money is not being spent within universities in support of the research infrastructure, doubtless because of other pressures that the universities face. I wonder if the Minister can say something about that subject.

I also wanted to talk about the research assessment exercise and how it is developing. That exercise also had a significant impact on the science and innovation base, by helping to improve the overall quality of UK research. Nevertheless, it is of concern that its successor—the research excellence framework—has "impact of research" criteria.

In mentioning those criteria, I return to the point that was made by the hon. Member for Montgomeryshire (Lembit Öpik), who has now left the Chamber, when he talked about the long-term benefits of big projects and blue-skies research. That emphasis on "impact" is probably a consequence of a shift in the thinking of at least some of those steering UK science policy for publicly funded scientific research to demonstrate economic and societal impact.

However, there are real difficulties about the criteria and the methodology of the research excellence framework, and it is hoped that they will not be too restrictive for physics and other disciplines. We can all probably think of many cases of breakthroughs in physics—in relativity, quantum mechanics or whatever area—where it would have been very difficult at the outset of the research to have said what the consequences and the benefits of that research would be. How the difficulty of demonstrating the benefits of research fits within impact criteria based around the economy and society is another issue that it would be wise to look at further.

This debate matters not only because science is important in its own right, but because it means jobs, prosperity and welfare for the future, both for those who work in science and for those in the many jobs that are generated by science. In Oxfordshire, we have seen big successes, including the Harwell science and innovation campus, and major facilities, such as the Diamond Light Source and the ISIS neutron facility in Harwell, which are global centres of pioneering research. The Rutherford Appleton laboratories are developing new techniques to help in the development of fusion. The tier 1 computing centre at the laboratories is the UK focus for processing data from the large hadron collider at the European Organisation for Nuclear Research, or CERN.

Sharp Laboratories UK, which is based in Oxford science park, is another example of a company based in Oxfordshire. It employs more than 100 people and it conducts world-leading research and development, creating technologies such as advanced flat screen displays. Companies such as Sharp Laboratories UK are based in the UK because of the strength of the UK science base and because of the graduates trained in cutting edge science, which that science base provides. We have a good record in Oxford and at Oxford university in spinning out companies from physics research. Companies such as Oxford instruments are now well known world leaders and newer companies such as Oxonica and RF Sensors are bringing physics research to the market, generating local jobs in the process.

If we are to sustain that success—surely there ought to be general agreement that it is vital that we do so—we must more effectively resolve these questions of basic funding. We also need to look still further at the support that is given to businesses as they develop, grow and apply the benefits of scientific research, because the recession has put pressures on science businesses, as it has on other businesses, and perhaps especially on smaller science-based companies. As we know, to bring a piece of world-leading research to commercial applicability and ultimately to profit can take several years and can require several stages of investment.

The recession and the situation in banking has meant that some companies are not getting the right money at the right time. If the UK is to continue to exploit the strength of our research base, there is a need to focus support on these science companies, through the provision of long-term investment in start-ups and through large-scale science-focused venture capital funds. I would be grateful

if the Minister told us what further can be done to support the commercial application of science in that context.

All the economic benefit that we get from our strength in science, including the critical mass of talented people that physics requires, is stimulated and sustained by public investment in science. Given the demonstrable value to the economy of scientific research, will the Government reaffirm their commitment to fund increases in basic science spending in line with the science and innovation framework for the decade from 2004? Will the Minister offer some hope and encouragement to physics in universities, which, as we have heard, is under such pressure at the moment?

11.40 am

Annette Brooke (Mid-Dorset and North Poole) (LD): I congratulate my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) on securing this debate and on analysing the situation so effectively.

I am not a physicist, so I needed to reflect on why physics in particular faces a problem and why it is so important. I looked briefly at what physics research has provided us with. It includes obvious things that we use every day, such as the world wide web, or that some of us might have to use, such as radiotherapy and other cancer treatments. Modern techniques for cancer diagnosis and treatment depend on physics research, and advances in physics-based diagnosis and therapy will continue to lower cancer mortality rates and improve the health of the nation.

Much of the research that we do not hear about will almost certainly make the most important changes to how we live. Physics is responsible for the development of a vast array of technology, including technology to tackle climate change and for magnetic resonance imaging, now a routine technique for medical research. The list goes on and on. Of course, we cannot take physics in isolation.

I was recently pleased to be paired with a scientist last November through the Royal Society scheme, and we had some fascinating discussions on the links between research, policy making and funding for research. The Royal Society recently published a report entitled "The Scientific Century: Securing Our Future Prosperity", which contains two urgent messages. The first is that the UK needs to place science and innovation at the heart of our long-term strategy for economic growth; the second is that we face a fierce competitive challenge from countries that are investing at a scale and speed that we may struggle to match.

To quote from that important report:

"Ten years into this new scientific century, the world is slowly recovering from a severe financial crisis. Food security, climate change and health inequalities are rising up international policy agendas. And countries such as China, India and Brazil are reshaping the economic and political landscape. Faced with such uncertainties, the UK must build on its existing strengths. This country has a proud track record of achievement in science and engineering. Today, thanks to sustained investment"—

credit must be given where it is due—

"we have the most productive research base among the world's leading economies. Our universities are ranked second only to those of the USA. And the outputs of our research are increasingly threaded through the economy."

The report goes on:

"It would be disastrous if, at this stage, there was a withdrawal of support for our world-class universities, or the incentives which have been put in place to encourage translation, commercialisation and knowledge exchange. At the same time as we have improved our record on science and innovation, other countries have improved theirs…While the UK contemplates further reductions in spending on higher education and research, most other major economies, including the USA, China, France and Germany, have outlined ambitious plans to increase investment and boost their innovation performance."

In my view, the Government have not used the all-important fiscal stimulus provided at the onset of the recession to invest in science infrastructure. The VAT cut of £12.5 billion could have been spent much more productively.

The Royal Society goes on:

"If the right policy choices are made now, the UK can remain at the vanguard of international science and secure its prosperity throughout the scientific century."

Its recommendations include prioritising investment in excellent people, strengthening Government's use of science, reinforcing the UK's position as a hub for global science and innovation, better aligning science and innovation with global challenges and revitalising science and mathematics education.

Similarly, the Institute of Physics manifesto for the 2010 general election calls for science funding that will keep the UK at the forefront of research, a fiscal and regulatory environment that fosters science-based innovation—

Mr. Andrew Smith: I have been mulling over the hon. Lady's point about the VAT cut. I put it to her that that is not a good example of where money could be found. The VAT cut was a short-term fiscal stimulus to help soften the recession and get the country out of it. It was the sort of measure that can be turned on and off, so it would not have met the long-term needs of science. I do not think that we want to use short-term devices to fund science; long-term commitments are needed.

Annette Brooke: I take the right hon. Gentleman's point. I was just identifying how we could have approached the fiscal stimuli. There were important choices to be made at that point.

The IOP also calls for access to high-quality physics teaching for every child. I have a lot to say about that. It is a whole package. It starts from the time a child begins to understand the world that we live in and continues through true engagement in science at school to university, a PhD and further research, if funding exists. The Royal Society recommends that we provide incentives to recruit teachers, retain them and attract them back to science subjects, and that we commit to increasing the number of primary teachers with science expertise. That is important.

We do not have enough primary school teachers with specialist scientific qualifications. How can we inspire pupils if we do not have staff with qualifications and enthusiasm? It is sad that we have lost enthusiasm even in our secondary schools. Cuts in experimentation have made science a less attractive subject. Of course we have new syllabuses, but they do not necessarily increase take-up at A-level and in further study, as we hoped. We should establish new expert groups to advise on the development of science and mathematics curriculums and qualifications.

[Annette Brooke]

I sit on the Children, Schools and Families Committee, which recently undertook a short inquiry into science, technology, engineering and maths subjects. One question that arose was the position of women in physics. The comment was made that if we could attain gender equality, we would almost have cracked the problem of the shortage of physicists. Only 22 per cent. of physics A-level students are female, and that figure decreases throughout the career progression. Only 15 per cent. of research assistants and less than 5 per cent. of physics professors are female. We clearly have a gender issue that must be tackled more rigorously than it has been so far.

It is interesting to note that the engineers that the Select Committee interviewed were far more upbeat about the future. We can do it, but there is a lot more to be done. It is likely that the Minister will talk about all the incentives put in place to attract more science teachers, but the fact is that we have not done enough. Young people need an improved science education, whether they are destined to become professional scientists or scientifically literate citizens. Like other areas of education, science and mathematics have suffered from rapidly changing political expectations and reforms.

The No. 1 priority must be the quality of specialist teachers. Prior to 2009, the UK had failed to meet its recruitment targets for secondary science and mathematics teachers every year for more than a decade. There is so much to be done. The Royal Society's research suggests that without excellent teachers there is little hope of inspiring children to stick with science. What more will the Minister do to tackle that situation, starting with the first levels of education? If we crack the problem of getting excellent people, will there be the necessary funding?

My hon. Friend the Member for Oxford, West and Abingdon made an important reference to the STFC. On 11 March, *Times Higher Education* reported:

"The Science and Technology Facilities Council will be restructured in a move that, it is hoped, will protect grants for astronomers and physicists in the future. The council has faced a series of funding crises, caused in part by a fall in the value of the pound, which pushed up the costs of subscriptions to international facilities. This has forced the STFC to withdraw from international projects, run national science facilities below capacity."

We have heard of new arrangements that will improve the situation, but there are still uncertainties. Professor Foster of Oxford university welcomed the announcements from Lord Drayson, but said:

"This doesn't help with the current disaster. There is no hope on the horizon and no new money."

It is reported that the STFC is pulling Britain out of 25 international projects.

It was announced in the pre-Budget report that £600 million would be cut from the funding for universities and research. Perhaps the Minister will comment on that in the context of the Budget. What is the future and where is the hope? Like my hon. Friend, I would like the Minister to be clear about the recent funding of the STFC and what the future offers. The future is clearly fragile for research in physics and other sciences. We need clear, encouraging commitments today.

11.52 am

Adam Afriyie (Windsor) (Con): I congratulate the hon. Member for Oxford, West and Abingdon (Dr. Harris) on securing this timely and relevant debate. It is pertinent to ask about the future, given that there has been no comprehensive spending review to establish the security and stability of funding.

The hon. Gentleman raised the future challenges for physics, in particular the exposure to exchange rates. There may be a ring fence for science, but it feels like the bolt cutters are at work when changes in the exchange rate are not compensated in full. He raised the issue of loans. The Science and Technology Facilities Council was able to operate this year, last year and the year before because of a loan from the Government, but loans have to be paid back and so add pressure for the future. I look forward to the Minister's comments on that.

The hon. Gentleman then took a wonderful canter through the landscape of physics in Britain and alighted on the fact that the number of people studying for the physics A-level has been falling. To add some numbers to that, I should say that it has fallen by 5,000—from 33,000 people in 1997 to 28,000 in 2008. That is not a good record on A-level physics. I hope that we will do better in future.

There have been some great contributions. The hon. Member for Castle Point (Bob Spink) spoke about the large hadron collider. I assume that there is a link with his constituency; if so, he did a good job.

The right hon. Member for Oxford, East (Mr. Smith) made a considered contribution. I feel I was a bit bullish for jumping in too early because his point was that although science funding has been increasing—I agree that there has been an increase in the absolute level of funding—there are still challenges. I welcome his words. He focused on the research assessment exercise and spoke of successes in his constituency. He did his constituents proud in his representation of the work that takes place there.

The hon. Member for Mid-Dorset and North Poole (Annette Brooke) gave a gentle and considered view on physics. She admitted that she does not come from a physics background and focused on the societal benefits from physics in the longer term and the Royal Society's report. She paid particular attention to the plight of teachers and made the plea that gender equality might solve the teaching and student problems in physics.

I am conscious of time and want to give the Minister as much time as possible to respond to the questions that have been raised. However, I will say a few words about the terrain of physics in Britain. As we look forward to the election and beyond the recession, it is clear that we cannot go on with the debt-fuelled economic model that prepared us badly for the downturn and has left us ill equipped for recovery.

Sir James Dyson prepared an in-depth report at the request of the Conservatives entitled "Ingenious Britain", which looks to the future of science and physics in Britain. It rightly says that there should be no more talk of Britain as a post-industrial state. I notice that that phrase has crept into our dialogue, but Britain's future should not be considered in those terms. As the Royal Society put it, this will be a "scientific century". Advances in science, engineering and technology will continue to

determine our success as a nation, as they have in the past. Britain will need not only more scientists, but more designers and engineers to turn the science into the high-tech products and services that create jobs. Today's debate is a great chance to highlight the contribution that physics will make.

[JIM SHERIDAN *in the Chair*]

Physics underpins much of what we think of as technological progress. The Institute of Physics has highlighted 10 case studies to show how curiosity-driven research has led to practical results. Medical diagnostics, satellite navigation and advanced manufacturing rely on advances in the physical sciences. Many hon. Members have iPhones and personal digital assistants, which have come about largely due to physics and the space industry. There are few better examples than the work of Tim Berners-Lee at CERN, which gave us the worldwide web.

Unfortunately, despite the increase in funding that I have acknowledged, physics has had a rough ride under the Government: at least 22 physics departments have closed since 1997; funding for individual physics students, undergraduates in particular, has fallen by £170 in real terms; and Higher Education Statistics Agency figures show that the proportion of physicists in UK universities has fallen over the past decade.

The Government's main physics body, the Science and Technology Facilities Council, has lurched from crisis to crisis with the pressures placed on it by the Government. The Government have broken faith with the science community, in particular when it comes to physics; they have led it up the garden path and lulled it into a false sense of security by churning out endless rhetoric about protecting science, while slashing the science budgets for this year and next year.

Dr. Evan Harris: On the subject of rhetoric, will the hon. Gentleman give an assurance that under a Conservative Government there would be no cuts in science spending in the next year? Secondly, does he accept that the Treasury should take the risk of currency fluctuations, as was proposed recently by Lord Drayson?

Adam Afriyie: I thank the hon. Gentleman for raising those questions. I have made it absolutely clear that we are committed to two things over the next year: to the future of science and to a multi-year ring-fenced science budget. There is nothing wrong with the ring-fencing principle. I make it 100 per cent. clear that we are not committed to this Government's budget up to 2011. However, that matter does not particularly relate to science.

On the Treasury question, there is clearly pressure on the STFC in particular and science councils in general in relation to exchange rate fluctuations. I would like more flexibility in that area; the Government sign bilateral—international—agreements, for which they are supposed to pay, yet when the exchange rate changes, the hit is taken by the research council or the facility in respect of writing the cheques. That cannot be right, and work needs to be done on that issue. However, it is above my pay grade to make policies on behalf of my party at the moment.

Dr. Harris: I accept what the hon. Gentleman says about the Treasury, but someone from his party will have to say something if there is going to be proper three-party politics with specifics. May I bring the matter back to my earlier question? I was not sure what he was saying. Is he saying that if his party is in government next year, when we will still not be out of recession, it would not cut spending on science overall because of the importance of science spending as a vehicle to aid recovery out of recession? Will he be a bit clearer on that? I am still not certain about the matter.

Adam Afriyie: I noticed that when the hon. Gentleman was talking about the science budget, he used the word "hope." I can use more than the word "hope" about the future science budget.

It is completely unfeasible for an Opposition party that has no access to the Government books to determine what the budget will be this side of an election. I cannot do that because, as I said, it is above my pay grade to do so. If he is asking me whether I would like the science budget to be maintained at the current level, the answer is that I would, of course, like that to happen. Would I like the budget to increase? Of course. However, given that the Government have virtually bankrupted the country, the question is whether it is possible even to maintain the budget that they have. Of course, I will fight tooth and nail to try to do that, but as I say, it would be entirely incorrect for an Opposition party to make a budget before they have succeeded to power.

I am glad that the hon. Gentleman has raised these questions, because there is a duty on politicians—particularly those in the Government, who have access to the books—to be as direct and straightforward as they can about future funding levels. The Government have had the opportunity to carry out a comprehensive spending review, and they have refused to do so. Their arguments are incredibly feeble: that somehow there is uncertainty about the future and therefore they have to create more uncertainty by not having a comprehensive spending review to set, at least, the minimum benchmark for science. That has a disproportionate impact on science because, if the STFC—among other research councils—does not know what the 2011-12 budget is, it cannot allocate the research grants this year. The Government have added to the uncertainty around physics in particular, and they need to deal with that matter as soon as possible.

There are questions about the merger of the Particle Physics and Astronomy Council and the Central Laboratory of the Research Councils, which formed the STFC. I remember being opposite the then Science Minister, the hon. Member for Dudley, South (Ian Pearson), when he took great pleasure in boasting about how the STFC budget would rise by 13.6 per cent. However, we and the science community knew that its near cash budget—the cash available to spend—was completely flat for that three-year period, as can be seen from the figures published by the Government.

If that was not bad enough, the financial outlook today is much bleaker than in 1997. At the very least, we owe it to the science community to be clear and honest about the challenges ahead. Major physics cuts have already been made. STFC grants are down by 10 per cent., and studentships and fellowships have been cut by 25 per cent. That is largely a result of the uncertainty created by the fact that the Government have not had the comprehensive spending review and allocated the budgets for future years.

[Adam Afriyie]

Twenty-seven significant STFC projects have been abandoned, £5 million has been cut from the National Physical Laboratory and £573 million has been cut from universities this year. Capital cuts have hit physics particularly hard. As I think the Minister acknowledged when we last debated the matter in the House, further cuts of £600 million will be made by 2013. That is an overall Labour science cut of about £1 billion. We need to acknowledge that if we are to have a coherent and honest debate about physics.

Adding insult to injury, the Government have stubbornly refused to hold a comprehensive spending review, which I can only assume is based on cynical political reasoning and the black art of propaganda—the desire not to tell people what the Government's reckless spending means for the future. That, again, adds to future uncertainty. The result is that the STFC has held back its commitments.

In fact, if the Government had been straightforward and produced the comprehensive spending review and the science settlement for the following three years—even if it were at a lower level—there would be at least some certainty within the science community, and the STFC would not have had to pull back the number of grants that it was allocating. A big question needs to be answered about why the comprehensive spending review was not held. Does the Minister acknowledge his or the Government's—I know the matter is not his particular hat—contribution to the uncertainty that is being felt?

The falling value of sterling has already precipitated funding cuts, which has forced other research councils—not just the STFC and those related to physics—to put their hands in their pockets, take away their own research money and give it to the STFC, so that it can cover the exchange rate fluctuations that have been caused by international agreements entered into by Governments. I welcome the review of those arrangements, but we need more certainty around the direction that the Government are taking.

If the Government refuse to tackle the debt crisis, the STFC's costs could rise even higher because the pound will probably plummet further. Ultimately, currency is a sign of the world's confidence in a particular economy. If the pound plummets further, the STFC's costs will increase because of the exchange rate differences. Put simply, Labour's debt crisis is the single biggest threat to the future of physics and science funding in the years ahead. We need clarity going forward, rather than a Government in denial. I hope there will be no denial today. I know that the Minister is a straightforward chap, and I am sure he will not be in denial this afternoon.

We must take action to play down the deficit and restore confidence in the public finances. That is why if there is a Conservative Government, we will hold a Budget within 50 days, and deal with the matters of the multi-year ring fence. We will allocate a multi-year science budget that will be ring-fenced. That will help us provide a stable investment climate for research councils in the long term.

Dr. Harris: There has been a lot of debate about the meaning of "ring fence"—we have also debated that in the Select Committee on Science and Technology. Does the hon. Gentleman's reference to ring fence mean that the money will not be raided within the year for other spending, or does it mean that the amount in the ring fence will never go down because it is protected in some way—that it will either stay the same or go up? Will he be clearer about that? It would be of great benefit to the understanding of what we are discussing.

Adam Afriyie: That is a complicated area, because there are many different types of ring fence: parliamentary ring-fencing, where the budget is voted for separately; Treasury ring-fencing, where there are hundreds of little pots all over the place; and general departmental ring-fencing in one or two areas. I am talking about using the Government's existing definition of the ring fence. Whether we will consider the elements within that ring fence is another question, particularly given the exchange rate pressures on the ring fence at the moment. That needs to be looked at. I am referring to the existing definition of the ring fence and nothing more than that.

Dr. Harris: Does the hon. Gentleman agree with me that the Government's definition of the term "ring fence" is that money allocated in-year, for a certain year, is protected from being raided for other things? Would he extend the definition of ring fence, so that planned spending—for example, that outlined in a CSR—is also protected? It is not clear that the Government ever mean that by the term "ring fence". It is important for people listening to this debate to know whether, when people say that there will be a ring fence, that means money will be protected year on year from being cut or whether it merely means—this is important in itself—that it will be protected from cuts within that year.

Adam Afriyie: I would be happy to divert the debate to that subject, but it could take quite some time. To be absolutely clear again, we are committed to a multi-year ring fence for the science budget, with pretty much the same terms under which it currently operates, but we are not committed to Labour's budget. I will be happy to chat with the hon. Gentleman about precise definitions after the debate, but I want to conclude my remarks in the next two minutes so that the Minister has time to respond.

There are some vagaries in the statements that the Government and the Science Minister have made on physics funding. It makes some sense to move the space budget to a new space agency and to look at a way of creating a buffer between the STFC grants and its fixed costs, but can the Minister provide any more detail on the Government's plans for that area? The new arrangements announced by the Science Minister on 4 March are pretty vague, so will the Minister explain what the Government mean when they say that they will be

"looking at options for managing the currency risks better"?

What options is the Department looking at, and what did the current Science Minister mean when he said that

"the Department expects to continue to provide STFC with a level of protection similar to that which has been provided this year"?

Why did he use the words "similar to", rather than giving a definitive statement? Has the Department budgeted to compensate the STFC for those exchange rate fluctuations? It is a straightforward question. Are the Government planning to compensate fully or are they not?

What assessment has the Department made of the likely cost to the STFC of future exchange rate fluctuations? Is there an estimate of what the effect might be? Physicists

and the STFC will want to know the answer, as will the science community overall, and vague language only adds to uncertainty, so the debate provides a good opportunity to tidy that up. Finally, will the Minister now admit that the Government to a certain degree botched the creation of the STFC in 2007? Ministers decided to merge the other two research councils to create the STFC, so will he admit that the structural changes announced by the Science Minister on 4 March will return us to the pre-2007 arrangements?

Britain can be proud of its reputation for world-class physics, astronomy and space science, and we can be optimistic that British physicists are working today to generate new ideas and inventions to fuel a high-tech recovery for the future, but we must face up to the reality of the current difficulties if we are to secure a stable climate for investment for the future. Labour's debt crisis is the single biggest threat to physics over the next decade. I hope that the Minister will agree with me that the future of physics is at serous risk if the Chancellor refuses to tackle the deficit seriously in tomorrow's Budget.

12.12 pm

The Minister for Higher Education and Intellectual Property (Mr. David Lammy): I begin by congratulating the hon. Member for Oxford, West and Abingdon (Dr. Harris) on securing the debate. He brings great expertise to these matters and continues to return to them in the House, and I recently had exchanges with him in the Science and Technology Committee. I also thank the other Members who have spoken. It has been a good debate, with contributions from my right hon. Friend the Member for Oxford, East (Mr. Smith), who attends nearly every debate on higher education and such matters, and the hon. Members for Mid-Dorset and North Poole (Annette Brooke) and for Windsor (Adam Afriyie). If time prevents me from addressing all the points that have been raised, I shall of course respond in writing.

The timing of the debate is fortuitous because, while we have been debating, the Secretary of State and the Minister for Science and Innovation have been speaking at the launch of a new body, the UK Space Agency. Its creation is yet another demonstration of the Government's commitment to science. Its launch was attended by many schoolchildren who have been enthused by meeting men who have stepped on to the moon, and that is yet another demonstration of our belief that a strong British science base is essential if we are to have the bright social, economic and academic future to which Members have referred today.

Hon. Members know that the public finances are tight. The Government cannot turn away from that or deny it. I cannot guarantee that the unprecedented increases in public funding for science that we have seen over the past 13 years will continue at the same rate in the next few years, but I can say that the claim that the hon. Member for Windsor has made publicly—that the Government plan to cut £1.2 billion of public funding for science over the next five years—is false. He has added that he cannot give a commitment that his party would not do likewise; that claim, by contrast, is all too credible.

I assure Members right from the outset that the Government remain absolutely committed to science. Indeed, my ministerial colleagues and I continue to make the case within the Government at every opportunity for increases in science funding by virtue of the contribution to growth that we believe our science base has made and must continue to make in future. I hope that Members will recognise our commitment to science, which, in relation to the debate, is probably best described in the document "Higher Ambition", published in November 2009, which sets out our commitment to STEM. That strategy relates to much of what the hon. Member for Mid-Dorset and North Poole said about enthusing young people and having the teachers. Indeed, the strategy goes beyond that because it asks our universities to realign and move in that direction because we believe that it is so central to our economy.

Lest Members should think that those calls fall on deaf ears, that initiative, which has been carried forward by successive Ministers, has brought record levels of public funding in science, including the 10-year science and innovation investment framework, which was initiated not in the Departments that previously had responsibility for science, but in the Treasury, and it was led by the Prime Minister. That is our commitment to science, and we have had it for many years.

It is clear from the debate that Members believe, as I do, that physics is a crucial element of that commitment to science and to our way of life. Physics provides a fundamental understanding of the world and is at the heart of our civilisation and our standard of living. Through the study of physics we are able to make breakthroughs in many other fields of study, including health care. Many advanced medical diagnostic treatments follow fundamental research in physics. Just about every modern appliance is underpinned by physics, from our mobile phones to the internet and high-definition televisions, on which many of us rely.

Physics forms the basis of our high-tech, advanced economy and employs many people in this country. Important contributing sectors to the UK economy include electronics and optoelectronics, which employ between them over 1 million people. High-technology physics-based industries will help to ensure that the UK is able to compete successfully in the modern global economy, and we will also look to physics research to help overcome the major challenges that still exist in the century before us. Much that has been said about green technology is underpinned by the importance of physics. There are other challenges as well in respect of the underpinning and our better understanding of the mechanics of climate change and greenhouse gases, all of which require the expertise of good physicists.

Given the key role of physics in our society, it is clearly important that we invest, and continue to invest, in science and technology and the training of scientists. We have not had a Save British Science campaign because we have not needed one. Our record on support of the science base is strong, and the Government remain a champion of it. In 2010-11, funding of science and research will have doubled against what it was in 1997. My Department's total investment in science and research will have increased from £5.5 billion to nearly £5.9 billion, which is a 7 per cent. rise.

Dr. Harris: I am pleased that the Minister mentioned Save British Science—now the Campaign for Science and Engineering. We should pay tribute to its work. It was set up in my constituency in 1986 to save British

[Dr. Evan Harris]

science because the level of funding of science in 1986 was such that science needed saving. Does he accept that the level of funding—not just gross domestic product share, but in real terms—is now the same as it was in 1986? It has increased, but it has increased only back up to 1986 levels, when Save British Science was created to save British science from that level of funding.

Mr. Lammy: I recognise that there has been substantial investment. As the hon. Member for Mid-Dorset and North Poole said in her contribution, this country may have the most productive science sector. Therefore, by any definition, if one looks at outputs, research papers and quality, we can be proud of the investment that has been made over successive years. It means that we remain second only to the United States in global scientific excellence as measured by citations and a range of indices of which our scientists can be proud.

Adam Afriyie: We were talking about straightforwardness, honesty and clarity. I am not quite sure that I heard the answer to the question asked by the hon. Member for Oxford, West and Abingdon. Will the Minister confirm that spending on science has only just, in the past year or so, approached the level that it was at in 1986-87?

Mr. Lammy: I said that we did not have a Save British Science campaign, which he knows that a past Administration put up with. He also knows—I was coming on to capital—that the budget for higher education capital at the time we came to office was about £75 million. Notwithstanding the savings that we have asked the sector to make, it is £404 million this year, and we have spent about £6.4 billion on capital alone. That goes to the heart of the cost of science on our campuses, which requires investment in facilities, particularly when we are asking universities to encourage young people across the country to take up physics. It takes investment, and investment of more than £2 billion has been made since 1998 to help address the long-term under-investment in university infrastructure, buildings and capital equipment.

However, we also rightly want to ensure that we are getting uptake among students. I am aware that there have been concerns about the number of students taking physics and other STEM subjects. It is because of that that we have particularly asked the Higher Education Funding Council for England to support the growth of STEM, and, in this funding year, it has set up a £10 million fund to help universities make the transition to STEM subjects.

I am pleased that between 2003 and last year, the latest period for which figures are available, the number of home students enrolling on first degrees in physics rose by 13 per cent., and over the same period, home students taking physics PhDs rose by 37 per cent. The trend is a positive one, and demand continues. In fact, the latest figures from UCAS show that applications are up by 13 per cent. on last year.

Dr. Harris: I must challenge those figures. I have never understood why Ministers choose the baseline that they choose when they say that something has risen by, for example, 13 per cent. I often thought that it was random, but now I think I can see that they just choose the lowest point and then compare the current position to it.

There was a significant dip between 2001 and 2003—I do not know the reasons for that. If the Minister is talking about the low point, I should say that it was 2003. However, on the latest figures that I can find, we are still below where we were the year before the baseline that he used. Could he explain why he always uses that baseline rather than, say, 1997, which would seem to be a more rational baseline?

Mr. Lammy: I have the figures in front of me: first degree entrants in 2002-03, 2,990, and in 2008-09, 3,555; masters programme entrants in 2002-03, 545, and 555 last year; and PhD entrants in 2002-03, 525, and a growth last year to 805. That is a huge increase, on any analysis, so I do not recognise the numbers that the hon. Gentleman has arrived at. I do not think that this is a matter of dispute. We are seeing the uptake of STEM subjects at GCSE and A-level rising steadily, and that is feeding through to our campuses.

On research, which was raised by my right hon. Friend the Member for Oxford, East, some have claimed that the quality and volume of physics research have suffered as a result of this Government's policies, but the facts show that the opposite is true. Physics has been and continues to be treated generously, as it benefits from its strategic importance. After the 2008 research assessment exercise, the Government asked the funding council to protect the share of quality-related research funding to STEM subjects from decline due to higher increases in research in other areas, and therefore the volume of staff submitted in all subjects has risen by 12 per cent., and in physics by 3.6 per cent. So there was also good news on the funding that physics was able to attract.

The Science and Technology Facilities Council has been referred to again, as on several other occasions. Of course the Government take the matter seriously, and are already acting on it. There is no denying that the STFC has faced problems, and the Government recognise that better management of international subscriptions through measures to manage exchange rates, and longer-term planning and budgeting for large domestic facilities are needed to allow the STFC's grant-giving functions to be managed with a higher degree of predictability.

On 4 March, my noble Friend the Minister for Science and Innovation announced new arrangements for the STFC that are designed to ensure that it can plan with greater predictability and provide its community with more stability through better management of pressures arising from international subscriptions such as CERN, and longer-term planning and budgeting for large domestic facilities such as Diamond.

Those two measures, which are supported by the Institute of Physics and the Royal Astronomical Society, will address the two main sources of uncertainty that the STFC has historically faced. Lest it be thought that those two learned societies did not greet my noble Friend's announcement with some pleasure, and given the work that had been put in by Mike Sterling, their reaction is worth quoting:

"We have been particularly concerned about the way in which unforeseeable rises in international subscriptions due to the falling value of the pound have put extreme pressure on the funding available from STFC both for research grants and the running of

UK-based facilities. Today's announcement demonstrates that the problem has now been recognised and we look forward to seeing how it will be addressed."

It will be addressed in the coming months.

Much that has been said about the STFC is historic. We recognise that there have been structural issues, but my noble Friend has sought to address them. I hope that physicists will be pleased with that—

Jim Sheridan (in the Chair): Order. We must move on to the next debate.

Turks and Caicos Islands

12.30 pm

Mr. David Clelland (Tyne Bridge) (Lab): This debate is about the governance of the Turks and Caicos Islands. I led a Commonwealth Parliamentary Association delegation to the Turks and Caicos Islands in the summer of 2004, the first such delegation for 40 years: they were feeling somewhat neglected. The delegation comprised Members of the House of Commons and of the House of Lords. My hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis), who is in the Chamber today, was a member of that delegation. Given recent events, I must add that I have no interest to declare as I have not been back to the islands since 2004.

The Turks and Caicos Islands are an archipelago of 40 small islands at the south-eastern end of the Bahamas chain. Only the four largest islands and two smaller islands are permanently inhabited, with a total estimated population of about 36,000, of whom two thirds live on the largest island—Providenciales, or Provo as it is known locally. The islands are divided into two groups—the Turks Islands and the Caicos Islands. Each group is surrounded by a continuous ring of reefs but separated by a 22-mile-wide channel, the Columbus passage, which is named in honour of Christopher Columbus—based on the slightly controversial claim that he made his first landfall in the new world on the island of Grand Turk in 1492. That claim, disputed by many, marks the start of a history of controversy for the islands, a story linked by tax evasion, piracy and exploitation in all its forms. It is also a story of a people who have not got the governance they deserve.

The islands have a fascinating and often painful history. Tourism is a logical consequence of the beautiful crystal-clear waters and white sandy beaches. Some might see the wheel coming full circle, with the islands' notorious history as a haven for pirates in the 1600s and 1700s, along with the fame derived from its salt rakers' refusal to comply with British demands for tax in the 18th century, reflected in the prominence of this tax haven's exploitation in the 21st century.

The islands have struggled with governance. A presidency, although it lasted for 25 years until 1873, was not a great success. Although it provided internal self-government and integrated the Turks and Caicos Islands, the post of President appears to have been viewed by the British Government as a reward for public service. No President was an islander, or belonger as they are called, and none were appointed in consultation with the local population. They governed autocratically and failed to diversify, relying instead on a single product: salt.

In 1874, the islands were officially declared a Crown colony and a dependency of Jamaica. But by the 1950s, Jamaica was moving towards independence, so TCI opted to stay under British rule and a new constitution was introduced in 1959. A general election was held for the first time in the history of the islands on the basis of universal adult suffrage and a secret ballot. A new legislative Assembly was elected and an Executive Council was created to advise the Administrator, a person appointed by the British Colonial Secretary.

Ten years on, TCI saw the hardening of party political lines. The Progressive National Party was the Government of the day and the People's Democratic Movement was

[Mr. David Clelland]

in Opposition. But amidst the growing pains of the fledgling political system, accusations were made that three Ministers in particular were overstepping their authority. An already volatile situation was worsened when Miami police charged the same three Ministers with serious felony offences. British lawyer Louis Blom-Cooper was asked to investigate corruption allegations. He found evidence of corruption and malpractice, but the cornerstone of his recommendations—that certain persons were not fit to hold public office—was ignored, thus strengthening the notion that in politics the only crime is being caught.

Following Blom-Cooper came Roy Marshall. From the inception of adult suffrage on TCI, governance was divided into single-member constituencies, based on the true meaning of one person, one vote. Each person had one vote only and could vote for one candidate in one district only. The Roy Marshall commission reacted to the political and social divisions exposed by Blom-Cooper and decided that 11 constituencies returning 11 members had huge potential for cheating and corruption, as well as for giving small groups of friends and family the opportunity to control the electoral outcome.

The commission therefore increased the number of constituencies to 13 and grouped constituencies together, so where there had been three constituencies returning three representatives, now there would be one constituency returning three representatives. Each voter now had multiple candidates for whom to vote. Far from blunting polarisation, the next election heightened it. Strong party candidates pulled weaker ones to victory with them, with the result that the PDM wiped the board, winning 11 seats to the PNP's two.

The 1976 constitution marked the pivotal moment in the islands' constitutional history, clarifying how the powers and responsibilities of elected members of the legislative and executive arms of government should exist and function in relation to the powers of the Governor, and paving the way for self-determination. Broadly, this constitution said there would now be a resident Governor, appointed by the British monarch, with specific responsibilities for defence and foreign affairs, internal security and the police and the public service. But it also said that there would be an Executive Council of the Governor, the Chief Secretary, the Financial Secretary and the Attorney-General who would be responsible for other Departments of Government—education, health, tourism, etc. The Governor was obliged to consult the Executive Council in formulating Government policy.

The second part of the 1976 constitution was the Legislative Council, consisting of a Speaker drawn from inside or outside the Council, but elected by the Council members; 13 members democratically elected from 13 districts; plus three members appointed by the Governor, the Government and the Opposition, the Chief Secretary, the Financial Secretary and the Attorney-General. Since that time, yet another constitution has been adopted, and so it goes on.

That was the history of governance when we visited in 2004. The Legislative Council had experienced a very eventful year, with two by-elections taking place in marginal constituencies, resulting in a change in government. We were struck—I certainly was—by the youthful make-up of the new Government; the average age of Ministers was about 28. Personally, I was concerned about the apparent lack of experience of the Ministers and vowed to inaugurate an all-party group in Parliament to engage with TCI politicians on their regular visits to London. This I did, but until yet more problems arose regarding accusations of maladministration and corruption following a visit by the Select Committee on Foreign Affairs, TCI Ministers did not give much priority to meeting us on any regular basis.

There was a flurry of activity following the publication of the Select Committee report, but alas the damage was already done. Subsequently, Her Majesty's Government dissolved the Government and Parliament and returned the islands to direct rule via the Governor. I do not wish to explore the detail of the allegations: broadly, politicians were accused of selling Crown land for personal gain. But I understand why Turks and Caicos residents see Her Majesty's Government's actions as tantamount to a recolonisation of the islands.

We have to make a clean break with the mistakes of the past. We have to create a path towards economic and political stability that will last—unlike previous attempts. The economy has to be sustainable and financially sound. Above all, the new economic and political systems have to be transparent and strong enough to withstand the possibility of corruption.

At the start of this new century, there is a 50-year history of constitutional changes that have not bedded down into the people's consciousness; a history of corruption amongst politicians; and, worse, examples of Ministers charged in the USA with felonies and drug trafficking, yet continuing to hold public office. We also have examples of a civil service that is blatantly embroiled in politics. This extremely volatile situation was not helped by the emergence of wealthy eastern European groups seeking investment opportunities in TCI, so I was unsurprised by the decision last year of Governor Gordon Wetherell to suspend the islands' self-governance pending investigations into ministerial corruption.

During our visit in 2004, we had full and frank discussions about the islands' future. We were interested to hear the plans to empower the islanders, who are known as belongers, by enabling them to own land and property. We heard much about their increasing prosperity through the tourism and financial services that have benefited many of their neighbours, and the Government's plans to improve the islands' infrastructure to support the flourishing economy.

There were discussions about the possibility of public-private partnerships and private finance initiatives to achieve that objective. The islands' Speaker and other politicians hope that the islands will have a future with good governance and greater prosperity of their people. Some politicians with good will were properly motivated, but they were struggling with big problems as well as big opportunities.

The Turks and Caicos Islands are geographically close to Haiti and the Dominican Republic, which has resulted in mass migration, both legal and illegal, in recent years. The full impact of that migration is still unknown, but there could be problems for the community in public health, and with HIV/AIDS and poverty. In particular, we discussed the problem of Haiti, drug and gun trafficking, registration policies for immigrants and those born on the islands, and the potential knock-on effect for the tourism industry.

Discussions on constitutional review and the powers of the Governor, the Chief Minister and the Attorney-General provided a useful insight into the delicate balance of power in small legislatures. The desire for more self-governance, short of independence, was clear. Tragically, inexperience and lack of judgment, combined with downright criminality, have led to the imposition of temporary direct rule pending new elections in due course.

Mr. Gordon Prentice (Pendle) (Lab): My hon. Friend referred to corruption on the islands, which I have never visited. Were any UK or Belizean nationals involved in corrupt practices? I understand that people from Belize have extensive business interests on the islands.

Mr. Clelland: I know that some British nationals have substantial interests, and I shall refer to that.

It is true that some politicians on the islands have abused and misused their position of power and influence, but as some might ask, who are we to criticise? As in the UK, a small minority has blackened the reputation of the majority, but many good, dedicated and honest politicians in TCI have the interests of their country folk at heart. They should be included in, not excluded from, the temporary governance of their homeland pending a return to democratic elections.

The country has been buffeted by hurricanes, political scandal and outside influences seeking to exploit its natural beauty and the good nature of its people. Rich men and women from across the globe have made their way to TCI, including Russian and American millionaires who have sought to exploit the islands' beauty and status for profit, and those whose expertise is tax avoidance. I believe that Lord Ashcroft has substantial interests there and is a regular visitor.

During our visit in 2004, we learned of the islanders' desire for future independence, but some former politicians expressed the view that the UK would have to ensure that the offshore finance industry and Government procedures were corruption-free as part of the process. Clearly, they were anxious about how things were developing. It is regrettable that, as we spoke, corrupt practices were undermining those desires, and leading to instability and the end of democracy. For the sake of the people of the Turks and Caicos Islands, stability and democracy must be returned soon.

Will the Minister tell the House when the new administrative arrangements for direct rule will be expanded to include local politicians again? When will the next elections take place to return the islands to the control of their own people? What has Her Majesty's Government discovered about the activities of wealthy foreigners and the ownership of former Crown land? What is Lord Ashcroft's involvement in TCI, and is it yet another tax avoidance? How many other British nationals have business interests in TCI? What progress is there on major developments, such as the airport expansion programme, Leeward highway and the hospital building programme? I look forward to the Minister's response.

12.44 pm

The Minister for Europe (Chris Bryant): It is a delight, Mr. Sheridan, to speak under your chairmanship. I congratulate my hon. Friend the Member for Tyne Bridge (Mr. Clelland) on securing this debate. It has been a long time since the Turks and Caicos Islands have been debated, which is a fault of the House. I also congratulate him on his role in creating the all-party group and sustaining it over the years. The House will lose a doughty politician when he leaves it at the general election, because I understand that he will not stand again. We shall miss him. I had many battles with him over an elected House of Lords.

Unlike my hon. Friend, I have never visited the Turks and Caicos Islands. I understand that they are very beautiful. For several years, they enjoyed a booming tourism industry. Enormous hotels, vast residences, and beautiful and luxurious beach clubs were built, and things blossomed. Unfortunately, at the same time so did corruption, but until the special investigation and prosecution team under Helen Garlick has completed its work, we cannot be sure of the precise contours or the extent of that corruption in TCI.

Hon. Members know that on 10 July 2008, in response to an increasing number of complaints about corruption involving senior politicians in TCI, the then Governor appointed Sir Robin Auld to inquire into

"corruption or other serious dishonesty in relation to past and present elected members of the TCI House of Assembly."

Following Sir Robin's report, we decided to implement his recommendations that ministerial government be suspended, that the House of Assembly be dissolved, and that provision be made for criminal and civil trial by a judge alone in certain cases. Those recommendations were implemented on 14 August 2009, as my hon. Friend adumbrated. We did not take that step lightly, for the reasons that he suggested. We have no desire to return to colonial rule.

Sir Robin's report is impressive, and extremely damning. He outlines what can only be called a perfect storm of political intrigue and corruption. He cites the

"considerable discretionary power in...allocation of Crown Land",

and in planning and the award of Government contracts and belonger status. I must correct my hon. Friend, because not everyone who lives on the islands is a belonger—far from it. In fact, that is one of the problems.

Sir Robin also refers to the booming tourism industry, which caused land to become valuable, but the supply of that land is limited. In addition, he refers to considerable exposure of Ministers to conflicts between public duty and their private and personal interests, and widespread disregard of the constitutional obligation to declare financial interests. As Sir Robin said in his report:

"The all pervading impact of politics on people's lives and livelihoods in the TCI and the seemingly imperceptible line between political payments or donations on the one hand and bribes on the other has become a canker in the economic and social life of the TCI."

A key element of that vicious circle is the status of belongership, which stems from birth or personal connection with TCI through a spouse or descent, or from the Governor, acting on the advice of the Cabinet, who can hand out belongership. With belongership comes the right to vote—in fact, only 7,000 of the 36,000 inhabitants have that right—the right to sit on a jury, the right to purchase Crown land at a substantial discount, and the right to sell that land on at a substantial advantage.

The UK 2007 national audit report indicated widespread departures from competitive tendering in the TCI, which is a matter of substantial concern, and there have been

[Chris Bryant]

many serious allegations. I will read briefly from the commission of inquiry's report. Sir Robin cites

"major contracts for services, such as that made in November 2006 with Southern Health Care Network for referral of TCI Islanders for overseas medical treatment...major construction contracts, for example...PFI contracts awarded to Johnston International for two new TCI hospitals, said to have been overpriced and awarded without any or any appropriate tender process, with an initial budget of $40 million and costs to date of $125 million...major road-building and other public works contracts, for example...the Lower Bight Road. Providenciales, said to have been contracted to Johnston International"—

again—

"at a significantly higher price than some other bidders had offered, and built, it is said, to a low standard; and...road works in North and Little Caicos, contracted to Herzog".

He also cites the sale by Ministers of property to the Government at above the market rate, and there is a whole series of cases in which offices have been rented on behalf of the Government, again at above the market rate.

Meg Munn (Sheffield, Heeley) (Lab/Co-op) *rose*—

Chris Bryant: I give way to my predecessor.

Meg Munn: As the Minister rightly says, I was the Minister responsible for overseas territories for a while, including when the inquiry was set in place, although I, too, have never visited the Turks and Caicos Islands. One of the concerns that the Foreign Affairs Committee reported to me was that people were frightened to speak out and say what was going on. Has the inquiry that the Minister is reading from looked at that issue in relation to these contracts, and will he say whether it has been fully addressed? The fear that the people of the islands had in speaking out about corruption was clearly a fundamental concern for the islands' future.

Chris Bryant: My hon. Friend is right, and I pay tribute to the work that she did when the inquiry was set up. She is right about the level of fear. A lot of allegations were made to the Foreign Affairs Committee, some of which have been investigated and some of which have not. It is vital that I do not say anything that would jeopardise the investigation led by Helen Garlick. She has set up offices in London and in the Turks and Caicos Islands, and it is important that she and her team pursue the logic of their investigation without interference from anybody else.

Consequently, I cannot confirm or deny whether the instances that I referred to are being investigated. However, it would be extraordinary if the major contracts for overseas health care, building the Lower Bight road and the two new hospitals—all of which have been completed—and the airport expansion, which has not yet been agreed on, were not being investigated.

Mr. Prentice: A BBC programme on the Turks and Caicos Islands has been blocked by the intervention of Lord Ashcroft's lawyers. Is there any evidence that contracts were awarded to Lord Ashcroft by people who are being investigated for possible corruption?

Chris Bryant: The precise nexus of companies and organisations on TCI is enormously complicated, and it is sometimes difficult to be precise about who owned what at any particular moment. Mrs. Misick, the wife of the former leader, believed that the major construction firm Johnston International, which I referred to, was owned or at least controlled by Lord Ashcroft, and the former governor believed that that was the case for both that company and Belize bank.

I understand that Michael Ashcroft also had an involvement in a sugar mill in Grand Turk, but I am not sure whether that continues. He was involved during 2006 and 2007—during which time he visited the islands alongside the shadow Foreign Secretary, the right hon. Member for Richmond, Yorks (Mr. Hague)—in discussions about his company, Airport Holdings Ltd, taking over part ownership of Providenciales airport and doing major reconstruction work in exchange for a 49-year share of the departure tax on TCI. That is to say nothing of the Belize bank which, as Sir Robin Auld's report makes clear, was the holding bank for the party-political slush fund accounts that were held on behalf of the Progressive National party.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I congratulate my hon. Friend the Member for Tyne Bridge (Mr. Clelland) on securing this important debate. As he said, I was part of the delegation in 2004 to the Turks and Caicos Islands, and I endorse many, if not all, of the comments that he made. I am also a member of the all-party group on Turks and Caicos Islands, which my hon. Friend established in the House as a consequence of that visit.

The Minister has touched on the issue of potential corruption in the awarding of public sector contracts on the islands. In many respects, the present governor and previous governors have acted as honest brokers on the islands ever since they played a role within the legislative process. Will the Minister confirm that both past governors and the present governor have expressed concern over the years about the awarding of public sector contracts on the islands?

Chris Bryant: Absolutely. Former governors have made it clear that they have been troubled by some of the processes used to award contracts, the personal nature of the way contracts have sometimes been awarded and the involvement of people from elsewhere. Governors have expressed ongoing, continuing concerns, and those exist in the archives of the Foreign Office.

Mr. Prentice: I have a simple question. Will Lord Ashcroft be invited to give evidence to this inquiry into corruption?

Chris Bryant: As I said earlier, I do not want to say anything that could in any sense prejudice or jeopardise the investigation. Helen Garlick is a fiercely independent-minded woman and she must do the investigation that needs to be done. I will not be drawn on that point.

A point detailed in Sir Robin Auld's report is that one of the elements of corruption was the inexplicable wealth that many people seemed to enjoy. In some countries—Hong Kong, for example—such wealth would overturn the burden of evidence necessary when trying to prove that there has been bribery or corruption. One element of that, which was particularly virulent in the TCI, was that nobody ever registered their financial interests. Mr. Misick stated that

"in relation to gifts and party political donations, there has been no one who has ever declared, probably with the exception of one new member who probably declared a small amount and this is

primarily because, particularly the small nature of our Territory, persons giving political contributions would have preferred to be not named."

We have no idea who made political donations in the TCI whether in cash or in kind, or whether people provided aeroplanes, houses, larger houses, additional finances or shopping opportunities for people's wives. We have no idea what was provided to politicians by any of the people being investigated or otherwise.

If anybody has a clear understanding and experience of business in TCI, they should present themselves with any information that they have as a matter of urgency. They might have given money, entirely innocently, as a political donation to a party that they wanted to support. However, if they found out that that gift was never registered, they should be worried about whether the other person might have thought that they were being bribed, whether the donor concerned thought that they were bribing or not.

My hon. Friend the Member for Tyne Bridge asked some important questions about the future for TCI. The financial situation is difficult, and part of my sense of anger about the situation in TCI is that it is difficult in part because some enormous contracts were awarded. Contracts were awarded for 25 years using PFI and PPP arrangements and, in the case of the two hospitals, it was unclear how important or necessary those arrangements were at all, let alone the cost that they have come in at. That is going to weigh as a heavy financial burden on the people of TCI in the future, making it difficult for the governor to come forward with a sustainable economic model for the next few years.

We are keen to return to full constitutional government in TCI as soon as possible. We have to clarify a series of different things and change the system of belongership and how that is handed out. We must change the allocation of Crown lands, and ensure that the electoral system is ready. However, unless there is some terrible problem, our clear commitment is to have elections in July 2011, which is the date when the next round of elections would have been held.

I hope that the future for TCI will be rosier than the last few years have been. I hope that the investigation led by Helen Garlick is able to proceed without interference and brought to a successful conclusion, not least so that some of the assets that have frankly been stolen from the people of TCI can be returned.

High Speed 2 (Buckinghamshire)

1 pm

Mr. David Lidington (Aylesbury) (Con): I am grateful for the opportunity to raise with the Minister what I am sure he will be the first to appreciate is likely to be the first of a considerable number of representations made to Ministers in Parliament about the impact of the Government's preferred route for the proposed high-speed railway. I am very pleased that my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan), my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) and my hon. Friend the Member for Wycombe (Mr. Goodman) are present. I have spoken to the right hon. Member for Buckingham (John Bercow), who, because of his office as Speaker, cannot take part directly in debates. He is very actively pursuing the interests of his constituents in respect of the impact of the preferred route on the Buckingham constituency.

I believe that the route that the Government have said they prefer will seriously and irreparably damage the quality of my constituents' lives and the landscape of the Chiltern hills. Two aspects of the proposed route caused me particular dismay once I began to inspect the details. First, the plan for a viaduct to carry the railway around the western perimeter of Aylesbury, coming at the nearest point just 70 metres from people's homes, looks certain to cause massive damage to the quality of life of many hundreds of my constituents.

Secondly, I share the sense of outrage expressed to me in letters, e-mails and conversations with constituents since the Secretary of State's announcement on 11 March that the Government plan to route the line through the Chilterns area of outstanding natural beauty—landscape that successive Governments, whether Labour or Conservative, have designated as of exceptional national importance.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): I am grateful to my hon. Friend for agreeing that I could intervene in this short debate. Even in the report that has been given to the Secretary of State, the first point made in chapter 4.2.39 on the quality of life and the landscape and townscape is that the

"main landscape impact of HS2 would occur in the Chiltern Hills".

Mr. Lidington: My hon. Friend is absolutely right. It is dismaying that when HS2 Ltd made its proposals to the Government, not just the preferred route but even the runner-up were set to carve a swathe of destruction through the centre of the area of outstanding natural beauty. In my constituency, the villages of Great Missenden, South Heath and Wendover would be drastically affected. I should also tell the Minister that in the past 24 hours I have received the first reaction to the proposal from the Berkshire, Buckinghamshire and Oxfordshire Wildlife Trust, which argues that the preferred route would have both a direct and an indirect impact on woodland sites—predominantly ancient woodlands—and on wetland sites, including a nature reserve and a site of special scientific interest on the border between Buckinghamshire and Hertfordshire.

To rub salt into the wound for my constituents and for the county of Buckinghamshire as a whole, the Government's proposal seems to be all pain and no gain—no direct benefit at all—for people living in

[Mr. Lidington]

Buckinghamshire. There is to be no improvement to the infrastructure used by local people, just years of disruption during the construction phase and permanent damage to both our rural and our urban environments. Indeed, I find it remarkable that the same Government who have designated Aylesbury as a growth area, who are insisting that the town provides many thousands of additional homes and who at the same time have refused to plan for the transport infrastructure to sustain that development now announce plans for a fantastically expensive piece of infrastructure that will bypass the very place that the Government have designated for growth.

As we are at the start of what is likely to be a long process, I want today to concentrate on putting to the Minister a limited number of questions on issues that constituents have been raising directly with me in the past 10 days. First, I should like him to say something about the public consultation, which I understand is scheduled to begin in October. What exactly will be the scope of that consultation? The Secretary of State, in his recent letter to me, stated that both the principle of a new high-speed rail line and the question of a route would depend on the outcome of the consultation. I infer from those comments that the Government accept that it is perfectly in order for people, during the consultation process, to propose alternative routes or, indeed, to challenge the principle of HS2 altogether. I hope that the Minister will today confirm that that is the case—that my understanding is correct—and that the Government do not intend to begin drafting a hybrid Bill until the consultation and the subsequent period of reflection and appraisal to which the Secretary of State has referred have passed.

Secondly, what will be the nature of the public consultation? Of course, a number of bodies such as the Chilterns Conservation Board—the statutory agency to safeguard the environment of the Chilterns AONB—the Chiltern Society and the parish, town, district and county councils along the route will make representations, and I know already that local residents are organising themselves into community campaigns in order to prepare for the consultation. However, I want the Government not only to listen to public representations, but to be proactive and to ensure that every resident in the affected neighbourhoods is contacted and both encouraged and enabled to take part.

Mrs. Gillan: Does my hon. Friend agree that we need to be reassured that the Department for Transport is paying attention to the detail in this case, because the consultation document that has already been issued on the exceptional hardship scheme relates to a consultation period that is less than the 12 weeks recommended by the Government, and the consultation will most likely take place over a period of purdah and therefore contravene some interesting rules on consultations? Also, Buckinghamshire county council was completely omitted from the list of individual local authorities that were part of the list of consultees. Does my hon. Friend agree that the lack of attention to detail that causes the major county council to be missed off is rather alarming?

Mr. Lidington: I hope that that is a lesson that the Minister and his Department will take on board. The point that my hon. Friend makes about the impact that the period of purdah around the general election campaign can have on public consultations and the ability of the Government machine to publicise those consultations is something to which I hope that Ministers will pay attention. It would be outrageous if people in effect were to lose a number of weeks of publicity for the consultations because of the election. The obvious thing to do would be to extend the consultation period by the appropriate number of weeks.

I hope, too, that Ministers will make a personal commitment to come to my constituency and to others along the route to hear for themselves the views of the people whom their policies will affect so dramatically. I should perhaps add that as the preferred route in my constituency runs within 2 miles of Chequers, I think it likely that whoever holds the office of Prime Minister can expect to have his ear well and truly bent by his neighbours.

Lastly on this point, how long will the public consultation last? A period of six months is being talked about. That seems a very short time in which to consult seriously people right along the proposed route from Euston to Birmingham, let alone to examine the options beyond Birmingham, to which the White Paper, entitled "High Speed Rail", refers. In addition to the impact of the general election campaign, Christmas and the new year seem likely to fall in the middle of the Government's proposed consultation on the preferred route, which would compress the notional six-month timetable even more in practice. There is already a lot of public cynicism about the consultation, and there is an expectation that it is being done simply for show, so I look to the Minister to give me the strongest possible assurance that those public fears are mistaken.

People will want and need access to a lot of detailed information ahead of October, so that they can prepare their arguments. If at all possible, I want the public consultation to take place on the basis of arguments and debate about a commonly agreed set of facts. To take one obvious example, little information is as yet available to show how much noise would be heard by people living along the route. I talked to some of the environmental pressure groups in my constituency this morning, and they told me that HS2 Ltd has so far been rather reluctant to divulge any of the detail about its assumptions about noise levels and noise footprints. I know that that would be a difficult, technical and complicated bit of work, because ever since I was elected, I have had to deal with the issue of the noise from the M40, which cuts through the village of Stokenchurch, at the southern end of my constituency. However, people have a right to know not just the conclusions that have been reached by HS2 Ltd and the Department for Transport, but the assumptions and background work on which those conclusions were based. If there is a reluctance to come forward with that detailed information, people will understandably assume the worst. It will be up to Ministers to insist that the Department, HS2 Ltd and Network Rail, which has done its own work on the high-speed proposal, are open with the public.

If the project goes ahead, on whatever route, it is vital that the Government show that they have learned lessons from the experience of building the high-speed channel tunnel link through Kent. A few hours ago, I talked to Mr. Patrick Begg, the regional director of the National

Trust, who said that, in environmental terms, the High Speed 1 process was brutal, poorly conceived and done on the cheap. To give a specific example, my local wildlife trust says that one lesson from High Speed 1 is that the indirect impact on woodland adjacent to the line in Kent was more severe than had been estimated before construction because of interference with the flow of surface water. Local councillors in my constituency, who have been in contact with their counterparts in Kent, were warned that the impact during construction went far wider than the immediate line of route. One was warned that he should expect every village and country lane within four or five miles of the route to be wrecked for some years while the line was built.

Mrs. Gillan: I do not know whether my hon. Friend has seen this, but I want to bring to his attention "News of the Woods". It is produced by the Chiltern Woodlands Project, and the Minister could well look at it. The project has helpfully produced the "Special Trees and Woods" interactive website at www.chilternsaonb.org/special. The website shows the enormous concentration of special trees and woods directly along the route that Lord Adonis has chosen for the route.

Mr. Lidington: My hon. Friend makes a telling point.

It is pretty obvious that a construction project of such a scale will need depots for building materials, arrangements for removing spoil and access over a long period for large numbers of heavy vehicles and plant. The Government need to be straight with people about what would be involved during construction, and they need to pledge that country lanes and the rural landscape in the area surrounding the route will be restored to their previous appearance after construction.

Finally, on compensation, many people are distraught because their properties have been utterly blighted. I know of elderly people who were relying on the value of their home to provide the capital to finance their care home fees in the not-too-distant future. I welcome the Government's proposal of an interim scheme to help people whose properties are blighted before the statutory provisions come into force. Why, however, is the scheme so narrow in scope and so niggardly in terms of the compensation offered? It is right that owner-occupiers should be helped, but business premises are excluded from the current proposals, even though owners may have plans to sell and retire. Without the proceeds from such sales, those owners will not be able to retire.

Furthermore, why should compensation be capped at 85 per cent. of the market value? People in Buckinghamshire did not ask for the line and they get no benefit from it at all. If the Government believe that it is in the overriding national interest that the scheme should go ahead and that my constituents must accept a massive sacrifice for the greater national good, it is a matter of justice that my constituents should be properly and fully compensated for what they stand to lose.

1.16 pm

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): I endorse all the comments of my hon. Friend the Member for Aylesbury (Mr. Lidington). We can see the level of interest in the debate by the presence of my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) and my hon. Friend the Member for Wycombe (Mr. Goodman), who are sitting alongside us, but who are precluded from speaking because of the brevity of the debate.

I have a few simple questions for the Minister. First, no environmental impact assessment has been published. I had a meeting with his boss, Lord Adonis, the other day and I was told that he had no intention of publishing an impact assessment before the general election. How can that be right? When can we expect to see the impact assessment for the Chilterns?

Mr. Dominic Grieve (Beaconsfield) (Con): That is of particular relevance to my constituency, as the part of it that the railway slices through is an environmentally sensitive area and a nature reserve. In the absence of an assessment, it is difficult to know what the impact will be on that very sensitive part of the Colne valley.

Mrs. Gillan: Secondly, I would like to know what account the Department and the Minister have taken of section 85 of the Countryside and Rights of Way Act 2000. I hope that he will be able to tell me—it should not be too difficult for him.

Finally, I asked the Secretary of State to visit my constituency to speak directly to constituents, who are rightly alarmed about the proposal coming so close to a general election. Lord Adonis told me that he has

"limited diary space in the coming weeks"

but will

"treat all members fairly…after the General Election."

As Lord Adonis does not need to face a general election, and as the Department for Transport will presumably continue its work, will the Minister kindly go back to him to ask whether, in the Secretary of State's absence, another Minister could attend some of the public meetings in my constituency, or failing that, whether officials from the Department could come to give an explanation?

That is only fair, given that the Government have chosen to make their announcement so close to a general election. The Minister and I are both elected Members, and he knows as well as I do that Members will be cut off during the election from asking the Government questions and from getting research from the House of Commons Library. For Members whose constituencies along the line of the route will be so badly affected, the timing of the proposals is cynical and callous.

1.18 pm

The Minister of State, Department for Transport (Mr. Sadiq Khan): I congratulate the hon. Member for Aylesbury (Mr. Lidington) on not only securing the debate, but raising his legitimate concerns in a very tempered manner, notwithstanding the passion that he demonstrated during his short speech.

Four Members of Parliament are present, two of whom have not been able to make speeches because of the brevity of this Adjournment debate. However, I know that the hon. Member for Wycombe (Mr. Goodman) and the hon. and learned Member for Beaconsfield (Mr. Grieve) are equally concerned about some of the challenges and issues raised by the preferred route for HS2 and the implications for their constituents. They are of course welcome to meet me or the Secretary of State, Lord Adonis, to discuss any concerns that they have directly, as I know the hon. Member for Chesham

[Mr. Sadiq Khan]

and Amersham (Mrs. Gillan) has. The hon. Member for Aylesbury has of course also raised the issues on the Floor of the House and put on record the concerns for his constituents that he spotted straight away when the announcement was made on 11 March.

Before I turn to the specific effects of the Government's proposals on Buckinghamshire and to the points raised by the hon. Gentleman, I want to explain briefly why the Government believe that high-speed rail is the best way to enhance our inter-urban transport networks. In considering a project such as this, as hon. Members will appreciate, it is vital to balance the significant benefits that it will bring to the country with the impacts that it may have at local level.

Over the next 20 to 30 years, the key inter-urban routes linking our major cities will become increasingly crowded and congested, with negative effects for both the economy and society. A new high-speed line linking London with Birmingham, Manchester, the east midlands, Sheffield, and Leeds could more than treble capacity on the congested west coast main line corridor, as well as improving journey times between major cities and releasing capacity on existing rail lines for additional commuter services and freight, particularly in the growth areas that the hon. Gentleman mentioned.

In addition, by linking the proposed core high-speed rail network into the existing west coast and east coast main lines, it would be possible to provide high-speed services to other destinations such as Liverpool, Newcastle, Glasgow and Edinburgh from the outset. The proposed network could, for instance, reduce journey times from Glasgow to London to as little as 3 hours 30 minutes, creating significant scope for modal shift from aviation to rail.

The modelling carried out by HS2 Ltd suggests that a high-speed line from London to Birmingham alone could provide benefits for the UK totalling over £29 billion and up to £32 billion if wider economic benefits such as agglomeration effects are taken into account. A more extensive network, such as the Y-shaped network proposed by the Government, would bring more significant benefits still. It would shrink journey times further, enable the UK's city economies to function more effectively together, and address the weaknesses of the current Victorian rail network, by providing fast and efficient links on both sides of the Pennines.

However, I accept that any infrastructure project of such a size will have some impacts at a local level, and I understand fully the concerns of hon. Members and their constituents about the effect that HS2 Ltd's recommended route could have on the county of Buckinghamshire. First, and most importantly—on the consultation point—I want to reassure hon. Members that the Government have not yet taken any decision on either whether a line such as this should be built or what route it should take. To answer the hon. Gentleman's first question, everything is up for grabs. When his constituents respond to the formal consultation, they should give their views about whether they think there should be a high-speed link at all, the preferred route and any additional points they may want to make. It is important that I should underscore that.

No such decision could possibly be taken without prior public consultation, and the Command Paper that we published on 11 March makes it quite clear that we will begin consultation in the autumn. As has been commented on, it will last up to six months, although it could last longer. I take on board the legitimate points raised on the consultation in relation to the exceptional hardship scheme, and the effect of purdah. I should like to write in reply to all the hon. Members present, because they have raised legitimate concerns about the effect that that could have on local authorities' or central Government's ability to raise awareness. Another point that was raised was the possible knock-on effect on an autumn formal consultation.

The consultation would have an impact on our overall strategy for high-speed rail and on the specific recommendations made by HS2 Ltd. As hon. Members will be aware—I know that they have all read the report from HS2 Ltd—a number of preferred routes were considered, and the preferred route, which was recommended by HS2 Ltd, was the option whose consequences for hon. Members' constituents has been recognised: route 3.

I have asked HS2 Ltd to carry out pre-consultation engagement with stakeholders such as local authorities. I accept and apologise for the fact that Buckinghamshire county council was inadvertently omitted from the list for the exceptional hardship scheme. I confirm, to reassure the hon. Member for Chesham and Amersham, that it has now received the documents.

Mrs. Gillan: Will the Minister also write to us to let us know what moneys will be available to local community groups and councils, who will be undertaking vast amounts of extra work, which will affect their budgets? Of course, some of our smaller voluntary organisations will not be able to muster what they need to make a case for another route, and I hope that moneys will be forthcoming from the Minister to assist the local authorities and those organisations.

Mr. Khan: The hon. Lady will be aware that the pre-consultation engagements that are being undertaken are over and above what is required for a major infrastructure project such as this, but it is important that we should listen to local communities' concerns. For example, if there is concern that they have not had access to the CD-ROMs that are available, or the documents or maps, we should be happy to look into that. I know that at the public meetings that have already taken place the Department has provided materials, but I ask hon. Members to let me know if there are problems getting materials from the Department for Transport or HS2 Ltd.

They key thing during the pre-consultation engagement is to inform effective communication of the consultation and its materials, particularly in areas that are likely to be most affected by the development proposals. Furthermore, even if the Government were to proceed, legislation would be required before construction could begin, providing those affected by any future line with a further opportunity to influence its development. We need to continue to ensure that all constituents have an opportunity to respond. If there is concern that some do not have the means, or that local authorities are limited in their capacity to do so, they need to let us know their concerns, which we shall try to address to make sure that as many people as possible respond both

to the pre-consultation engagement and the formal consultation that begins in the autumn. There will be further consultation thereafter.

The route that HS2 Ltd has recommended would be straighter and faster than the other options, maximising its benefits for the country, but it also has a number of other advantages. Roughly a third of its route through the Chilterns is in tunnel, reducing its impacts on the local environment, and for more than half of that part of its route that is on the surface in the Chilterns, it follows existing transport corridors, notably the A413 corridor, which contains both a dual carriageway and the current Chiltern line. In contrast, while other options may also use extensive tunnelling in the Chilterns, on the surface they will run through open countryside. Indeed, even the most promising alternative identified by HS2 Ltd would still require a viaduct to be built across the picturesque Hughenden valley.

The route recommended by HS2 Ltd would also have a lower impact than the most promising alternative in terms of ground-borne noise and the isolation of settlements. A question was raised in the debate about noise, and among the things that we have asked HS2 Ltd to do is further mitigation work with respect to the impact on residents. The Secretary of State was not persuaded that HS2 Ltd had tried as hard as it could to mitigate some of the possible effects on residents. An aspect of that is the effect of modern technology in reducing noise. That is one reason for the delay in the publication of the environmental impact assessment and the appraisal of sustainability. I hope that when that is available, before the formal consultation, it will deal with some of the points that hon. Members have raised, and that improvements will have been made by HS2 Ltd to mitigate even further some of the possible disruption to residents. For the reasons I have given, the Government are of the view that HS2 Ltd's recommended route appears on balance to be the best option, although we will clearly take into account the responses to consultation before any final decision is taken.

Hon. Members raised a number of questions. I have a long speech, which I have not read because I am keen to deal with them. My officials have taken a note of all the questions and I shall write to hon. Members in the next few days. If they have further questions I am happy, as is the Secretary of State, to meet them. He has already met a number of MPs in the past week or so, and has met the Chilterns Conservation Board, and will continue to engage on the issue. It is important that no constituent should feel that their voice has not been heard.

Finally, we have learned the lessons of previous major infrastructure projects, including High Speed 1 and Crossrail, which is taking place right now. We are learning lessons all the time from Crossrail. We are trying to ensure that in the process of building High Speed 2 we mitigate any problems caused to residents who are local to whatever route is chosen. I congratulate the hon. Member for Aylesbury again on securing the debate, which I expect will be the first of many.

Luton Railway Station

1.30 pm

Kelvin Hopkins (Luton, North) (Lab): I am grateful to Mr. Speaker for having selected this debate about the development of Luton station. I realise that when compared with the current economic problems it might seem a rather parochial matter, but for the people who live and work in Luton it is important. I am grateful to the Minister for being here to respond to the debate. I had hoped that the hon. Member for South-West Bedfordshire (Andrew Selous) would have been here, as he has significant constituency interests in the development of Luton station. We have worked cordially together on these matters before.

Luton station is to be found in the constituency of my hon. Friend the Member for Luton, South (Margaret Moran). However, my hon. Friend and others will be aware of why I have raised the matter. I have travelled daily from Luton station for the past 41 years, and many hundreds if not thousands of my constituents do the same, so the problem has a significant constituency interest for me as well.

As the House will know, we in the home counties all face growth pressures; some are welcome, and some are not. When we agree with the policy directions being taken, we press for action to address our local difficulties—or, more urgently, to improve barely tolerated situations. That is what I seek to do today.

There has been positive and continuing progress on transport investments in the area, thanks to intervention by Ministers and the Government office for the east of England. Recently, there has also been high-level support from Network Rail. However, we face a crucial series of separate funding decisions. Although approvals are welcome, each time we are left to identify the remaining gaps and to decide what further decisions are needed to assure a strategic future for Luton. The town that I represent is an integral part of the wider east of England regeneration and growth agenda. I look for the continued support of Ministers and Departments to assist in the strategic delivery of those priorities.

Luton Gateway is part of the Milton Keynes and south midlands growth area. It includes Luton, Dunstable and Houghton Regis and the surrounding area. The gateway is a collaborative organisation, combining the interests of Luton borough council and the new Central Bedfordshire council. In recent decades, the area has faced huge economic pressures, resulting from the run-down of car and van manufacturing. Indeed, it is a priority regeneration area.

The total urban population was estimated at more than 236,000 in 2001. It continues to grow. To achieve a more balanced local economic position, we have a target of creating 35,000 additional jobs by 2031. We foresee there being a further 41,700 households in the same period. There are major implications for housing requirements, including another 7,000 so-called affordable homes, and for inward jobs investment and transport infrastructure.

The current downturn has increased local economic pressures, so it is even more important to achieve fundamental changes in the transport offer. In that way, congestion on the roads and railways could be reduced, and Luton Gateway could become a major point of inward investment that is easy to reach and attractive

[Kelvin Hopkins]

and easy to travel around. Those who know the Luton area well will understand that it is a significant task.

I wish to focus on the quality of access to central Luton. At its heart is Luton station. To put it at its simplest, the station, which adjoins the town centre, is not something that I am proud to show to visitors—nor, indeed, to people from Luton. It has been assessed as one of the worst stations in Britain, measured by equivalent passenger numbers. It is drab, dreary and depressing.

The station approaches are essentially unchanged since investment in the 1930s by the London Midland and Scottish railway. The station was badly designed and is difficult to reach by foot, bus or car, yet 3.5 million passengers entered and left it in 2007-08, making it busier than Norwich or Bedford. It is the 10th busiest station in the east of England.

Rebuilding Luton station is clearly a project that needs to happen now. We were pleased to welcome the Secretary of State for Transport to see its dismal night-time reality at the end of his marathon journey around England on 17 November last year. The "Better Rail Stations" report prioritises immediate works at Luton station. We in Luton are also excited by the long-term vision of that report, with its potential of becoming a super-hub integrated with the town centre, the busway and the airport—a true gateway for a regional growth centre.

Several project elements are already under way, to which Luton borough council has contributed more than £2 million. That contribution is helping to accelerate design and project progress by Network Rail—first, on a new station footbridge, which is critical to achieving direct access between the high town community and central Luton and to provide disability-compliant access; and, secondly, an engineering assessment of the Luton station slab, which is critical to the comprehensive station redesign. In addition, the council has secured funding for the £20 million multi-storey car park, which will replace the current surface parking; it is due to open in August this year.

Work has already begun on an adjoining Luton station quarter development. There is strong local enthusiasm for including an improved station and transport interchange into that plan. The announcement by the Minister of State for Transport on 10 March this year to authorise the construction of the Luton to Dunstable busway and to fund £80 million of the work was widely welcomed.

The busway will be the spine public transport for the gateway urban area. It will increase public transport's capacity and capabilities, as part of a balanced transport investment programme to support the regeneration and growth agendas. The remaining £9 million is being provided by Luton borough council and private investors. The busway is due to open in 2012. It will make Luton station the primary interchange hub for most of Luton, and for Dunstable and Houghton Regis in central Bedfordshire.

Completion of the comprehensive station redesign and reconstruction is now the critical task. Progress on the immediate scheme awaits the release of funding by the Department for Transport and project approval by Network Rail. The immediately available funding offered by Network Rail is £5 million of the £50 million award that was announced by Lord Adonis. That leaves a £3 million shortfall. Luton borough council is already funding more than £7 million of the total works for the hub, including its contribution to the busway. The council will seek to identify other sources of funding, but it cannot be guaranteed. However, early funding completion is required.

With the growth prospects for the gateway and the additional accessibility that will be achieved by a new high-quality hub station, I believe that the project deserves regional and central funds, and that it should be included in Network Rail's regulated asset base. I recommend that rather modest project to the House and to my hon. Friend the Minister. I look to the Minister to say what discussions there have been within his Department and with colleagues in the Department for Communities and Local Government, taking account of the infrastructure funding priorities that I highlighted earlier.

My final observations are about access between the motorway network and the hub, which will provide an interchange to the east midlands InterCity railway. We still have a problem, as the east of England Minister knows well, with the need to rebuild junction 10A on the M1. That is acting as a blockage to the economy of Luton. The problems are compounded by the Highways Agency providing a free-flow slip from the M1 on to the M1 spur as part of the motorway widening scheme between junctions 6A and 10. We now have traffic queues every morning peak from the M1.

The Government policy document "Delivering a Sustainable Transport System" was published in spring 2009. It defines the route between the M1 and Luton airport as a "strategic national corridor". The improvement of a junction in that location would meet the three key criteria set out in the Eddington study on transport's contribution to economic growth and productivity. They focus on main urban areas, inter-urban journeys, and access from the urban areas to international gateways.

In light of the Eddington study, it is unfortunate that the £22 million scheme to improve junction 10A is not yet agreed as a high priority in the regional funding programme. From a business point of view, the congestion directly reduces efficiency and profitability. It adversely affects the ability to regenerate and develop sites in Luton and their value, which might be a source of funding for the public transport investments needed at Luton station and its sister station, Luton Airport Parkway.

I emphasise again that Luton Gateway is a growing urban region that makes a major contribution to Government-directed targets. In turn, we welcome recent positive decisions that reaffirm the importance of Luton as a transport hub. We look to the Department for Transport to work jointly with the Department for Communities and Local Government and east of England Ministers, and with local and regional interests, to help complete the investment authorisations for those strategic regeneration and growth objectives.

1.39 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I congratulate my hon. Friend the Member for Luton, North (Kelvin Hopkins) on securing this debate, on what is clearly an important issue for his constituents as well as for others travelling to and from Luton station. I have carefully listened to his points.

Stations should be attractive gateways to the railway system, incorporating modern and user-friendly interchanges between different forms of transport, and they should be important gateways to our towns and cities, providing that important first impression for visitors. Unfortunately, too many stations fall short of such objectives, and there is little doubt that Luton station fails to match up in those respects. That view was confirmed by the station champions whom the Secretary of State appointed last year to look at ways to improve stations. They identified Luton as one of the 10 major interchange stations in most need of improvement.

The good news is that we have accepted the station champions' diagnosis and have already agreed to Network Rail making an additional £50 million available to tackle the problems at the 10 priority stations. Such funding, together with local and private sector contributions, should enable an early start to be made on the 10 key stations highlighted in the report, with other stations to follow as part of future investment and refranchising decisions.

Luton station has a long history, and has gradually grown to deal with increasing demand. It was built in 1868 on the midland main line and originally consisted of three platforms. Modernisation in 1937 saw an additional platform added, and a further platform was added in 1960 for suburban services to and from St. Pancras.

The station adjoins the town centre and is the 10th busiest station in the east of England. Some 3.5 million passengers entered and left the station in 2007-08. However, the station is difficult to reach by foot, bus or car, and the station approaches are essentially unchanged since investment in the 1930s.

Although Luton station is owned by Network Rail, it is operated by First Capital Connect, which is the station facility owner. Both First Capital Connect and East Midlands Trains operate services from the station, with the former currently operating 27 services to London in the morning peak and 29 services arriving back from London in the evening. Around two thirds of those trains operate fast to and from London. From December 2011, 12-carriage services will be introduced, thereby increasing capacity and reducing overcrowding.

A number of projects have been developed in recent years to improve the station and the linkages between the station, the town centre and the local transport system. Improvements over the past few years have included refurbished waiting rooms and toilets, additional and upgraded ticket machines, new and enhanced customer information system screens and cycle parking improvements. The old car park has been demolished and Network Rail is constructing a new multi-storey car park that will connect the existing footbridge and station. As my hon. Friend says, more needs to be done. It looks as if the station champions' report will be the catalyst for ensuring that even more fundamental improvements are made at the station in future.

Following publication of the "Better Rail Stations" report last November, my noble Friend the Secretary of State for Transport and I arranged a special meeting on 20 January to discuss the report with the managing directors of the train operating companies and the leaders of the local authorities of the areas of the 10 priority stations. Senior figures from First Capital Connect and Luton borough council attended the meeting and heard Network Rail explain to the Secretary of State that it should be possible in the next few months to announce an improvement plan for Luton station involving a contribution from the £50 million fund coupled with significant contributions from other sources.

Luton borough council, Network Rail and First Capital Connect have been working hard together to develop a £20 million project to transform Luton station so that the town finally gets the station that it deserves. I understand that Network Rail is hoping to make an announcement soon about a plan that pulls together a range of projects and funding initiatives, including a contribution from the £50 million fund. I understand that, at the moment, there is a small funding gap. However, as the economy recovers, I hope that it will be possible to find further funding from the private sector to fund that gap, in recognition of the role that the improved station will play in the revitalisation of the whole surrounding area, and indeed in the economy of Luton as a whole.

The station redevelopment project is designed to deliver an enhanced station environment through a combination of sensitive refurbishment of the existing building and the construction of new features. The scheme will enlarge the station, providing a new entrance and frontage, an integrated footbridge, a new booking hall and improved retail provision. I recognise that this is a scheme of major importance to Luton. It is just one of a number of improvements to public transport in the area.

Work has already started—as part of the Thameslink programme—to extend the platforms at Luton station to accommodate the longer 12-carriage trains that will be introduced from December 2011. The work entails replacing the bridge deck to the north of the station, remodelling the track layout with the associated signalling and power equipment, and constructing the platform extensions. The Thameslink work at the station is progressing well with a scheduled completion date of October 2010. While much of the platform extension works can be carried out without disruption to passengers, Network Rail can only proceed with some of the work, such as bridge replacement, track realignment and changes to the signalling equipment, when trains are not running. However, I am assured that such work is kept to a minimum to ensure that the impact on passengers is as low as possible.

Some £2 million of funding from the Department's access for all programme has already been allocated to a project to provide an accessible route to and from the platforms, including brand new lifts, which can also form part of the larger redevelopment of the station. Luton station has already benefited from a number of smaller-scale improvements, which were financed by the access for all small schemes fund, including an accessible ticket office window and new signage. A bid for funding in 2010-11 to improve access via the footbridge is currently being considered and an announcement on that is expected shortly.

The station redevelopment project is part of Luton borough council's development framework for the town centre, which aims to make Luton a vibrant and attractive location. Regeneration of the area surrounding the station will be a crucial component in the delivery of the council's aspirations for Luton town centre, which include improving the appearance of the public realm and enhancing accessibility to public transport.

[Chris Mole]

I welcome the support given by my hon. Friend to the announcement made on 10 March by my right hon. Friend the Minister of State, Department for Transport, who was here a moment ago. It confirmed the Government's full and final approval to a funding contribution of £80 million towards the cost of the Luton-Dunstable busway scheme. The scheme will serve Luton station when it is completed in 2012, and will provide travellers in Luton, Dunstable and Houghton Regis with a fast, frequent and reliable alternative to travelling by car. It will significantly improve transport connections in the area and help to tackle congestion in the town centres. It will also support the emerging growth in housing and employment planned for the area.

With respect to my hon. Friend's point about the need to rebuild junction 10A on the M1, it is for the region to decide the priority of such a scheme within its regional funding allocation. I therefore recommend that he approach the east of England region to discuss this issue further.

I should like to set the developments at Luton station in context as part of the £3 billion programme of improvements to stations across the country over the next five years. As mentioned earlier, we warmly welcomed the "Better Rail Stations" report from the station champions, which was published last November. We were very grateful to Chris Green and Sir Peter Hall for the energy and enthusiasm with which they tackled their remit. It was not without its challenges. There are more than 2,500 stations, which service 2.6 billion passengers a year. Most stations are at least 100 years old and, of those, 15 per cent. are listed. The report comprehensively addresses the many important issues about the current state of our stations and offers a strategic blueprint for stations of the future.

A core part of the station champions' report was its recommendation for a set of minimum station standards based around the areas of access, information, facilities and environment. For example, improved access would include better cycle and car parking facilities, improved directional signage and convenient interchange with other modes of transport. The recommendation is central to achieving many of the aspirations in the report and ensuring greater consistency in station standards across the network. It is important that passengers know what to expect from their stations, and are satisfied with the facilities available to them. I am delighted that Luton is set to be one of the first beneficiaries of the proposals in the report.

Another important part of the report concerns the need to make it easier for people to get to stations and catch a train. That is an issue to which the Government attach great significance. There are economic and environmental benefits in encouraging more people to travel by train, but they will do so only if they can access a station easily. The new multi-storey car park that is being built at Luton station should help to improve access and should make it easier for people to use the train.

We share the station champions' aspiration to achieve a step change in the proportion of rail passengers arriving at a station by bicycle; I do not know whether my hon. Friend has ever cycled to the station in his 40 years in Luton. In September 2009, we announced a new £14 million programme to extend and improve cycle storage provision at stations. Network Rail is currently drawing up plans to increase the number of cycle parking spaces across the network and it will consider Luton's needs as part of that process.

The "Better Rail Stations" report also identified significant scope for additional retailing at stations. We welcome such additional retailing, as it benefits passengers and it can provide extra revenue for the railway. It also opens up the prospect of innovative solutions, such as the combined shop and ticket facility that has been introduced by Merseyrail. That facility gives travellers the opportunity to buy their rail ticket and refreshments or a newspaper in a single transaction, and it has been a significant contributor to improved customer satisfaction and improved security. The proposed new frontage at Luton station could provide opportunities for new and improved retail facilities at the station.

More generally, the Government are committed to improving existing stations through a number of initiatives. The national stations improvement programme is a five-year initiative worth £150 million, which will modernise approximately 150 medium-sized stations in England and Wales between 2009 and 2014. NSIP has already funded projects to improve seating and signage at a number of stations operated by First Capital Connect. There are currently 275 schemes identified for NSIP funding, 152 of which have been confirmed in the programme.

The access for all programme is a 10-year programme worth £370 million to improve access at stations in England, Scotland and Wales between 2006 and 2015. There are 148 stations in the programme, including major stations such as Clapham Junction—access work at which is due for completion in the spring of 2011—as well as Luton. More than 1,000 stations, again including Luton, are benefitting from the access for all small schemes fund, which allows train operators, local authorities and other third parties to bid for about £6 million of match funding a year to provide smaller-scale improvement schemes.

About 1,000 stations are currently accredited under the secure stations scheme, including Luton station and Luton Airport Parkway station, and more than 90 per cent. of all overground rail journeys currently involve passengers starting or finishing their journey at such a secure station. There is also a five-year platform lengthening programme of work across the network from 2009 to 2014 to accommodate longer trains. As I have already mentioned, Luton is part of that programme.

Furthermore, there are a number of major station developments and many of them will benefit passengers from Luton, including the development at King's Cross station, which is being upgraded with a new concourse. There are also major improvements at Blackfriars, Farringdon and London Bridge stations, which are all part of the Thameslink programme. There are also plans to upgrade Waterloo station.

In conclusion, I hope that my hon. Friend has been reassured that, as part of the Government's major investment in stations, work is progressing on a plan to improve Luton station, so that the town finally gets the station that it deserves. Such a station can play a key role in revitalising Luton town centre in the future.

Question put and agreed to.

1.53 pm

Sitting adjourned.

Westminster Hall

Wednesday 24 March 2010

[SIR NICHOLAS WINTERTON *in the Chair*]

Presbyterian Mutual Society

Motion made, and Question proposed, That the sitting be now adjourned.—*(Helen Jones.)*

9.30 am

Sir Nicholas Winterton (in the Chair): This is the last time that I shall chair a Westminster Hall sitting in my House of Commons career. I say to the hon. Gentlemen and hon. Lady from Northern Ireland that it is not inappropriate that I should be chairing a debate relating to the province of Ulster and Northern Ireland. I call Rev. Dr. William McCrea to address the Chamber.

Dr. William McCrea (South Antrim) (DUP): Sir Nicholas, I count it an honour to sit under your chairmanship today. I thank you for the courtesy you have shown to my hon. Friends over the years. I wish you well in your retirement and thank you for your superb chairmanship and leadership. Thank you for calling me to open what I trust will be a profitable debate on a subject that touches the hearts of many of my constituents.

I welcome the opportunity to open this timely debate on an issue that needs to be resolved to the satisfaction of all of the people involved. I ought to start by painting a backcloth to what is an injurious situation that affects the lives of many ordinary people and their families. The Presbyterian mutual society is an industrial and provident society with about 10,000 members. Its aims are

"to promote thrift among its members by the accumulation of their savings; to use and manage such savings for the mutual benefit of members; to create a source of credit for the benefit of its members at a fair and reasonable rate of interest; to procure or provide legal, accountancy, consultancy or secretarial services and advice to members towards assisting them in the establishment, improvement or expansion of their business or financial affairs and generally to undertake all or anything expedient for the accomplishing or incident or conducive to or consequential upon the attainment of all or any of the objects including the acquisition of property and any rights or interest therein."

Membership of the society was obtained by the purchase of shares. The maximum shareholding was £20,000. Members who wanted to place more money with the society could do so by making loans to it. A dividend was paid on shares and those who made loans received interest. The society grew rapidly, with its assets rising by more than 12 times from £24 million in 2002 to £309 million in 2008. It made significant advances for buy-to-let properties, and development and agricultural land.

It is clear from the rules of the PMS that it was intended to be a thrift institution, as it aimed

"to promote thrift among its members by the accumulation of their savings".

That the PMS was accepted for registration with that rule indicates that it was acknowledged by the authorities to be a thrift institution. PMS savers who put in their money as shares had every reason to believe that they were in the same position as those in credit unions, who likewise deposit their money in the form of shares and are none the less recognised by Government as savers.

PMS members are certainly not shareholders in the ordinary sense of the term. The shares did not derive their value from being traded and were withdrawable at any time at their original value. The value of the shareholding did not determine the voting power of the member; all were equal. As the recent court case indicated, shareholders could turn themselves into creditors at the stroke of a pen by applying to withdraw their shares. As the Treasury Committee report of February put it,

"it is understandable that PMS members considered them as analogous to deposits in a building society".

In the light of that, I cannot understand how the Treasury can justify regarding the members as akin to equity-style shareholders.

Like so many things in life, all went well until circumstances outside the control of the PMS took centre stage. As a result of the collapse of the Icelandic banks, the Government effectively guaranteed all deposits in conventional banks. Although that had a stabilising effect on the wider financial system, it prompted many PMS members to move their money from the society. In the first three weeks of October 2008, the PMS responded to many members' requests for withdrawals, which reduced the balance of the PMS current account from £25 million to just £4 million.

On 25 October 2008, the board met and decided that no further payments should be made to members until it had been professionally advised on the liquidity of the society. By the time of a subsequent meeting on 6 November, a further £50 million worth of requests had been made and three members had announced their intention to commence legal proceedings for the recovery of their investments. Faced with that problem, the priority of the board became asset protection and it was resolved to place the society into administration to achieve that.

Legislation was passed quickly in Northern Ireland by my colleague Arlene Foster, the Minister of Enterprise, Trade and Investment in Northern Ireland. That news was welcomed at the time because it protected the assets of the society and prevented a fire sale that would have resulted in many small savers not getting back any of their invested money.

Bob Spink (Castle Point) (Ind): On the Iceland situation, does the hon. Gentleman agree that, whatever the technical legal position, which we will hear from the Government Front Bench, it is ironic that Government action to help savers in Icelandic banks helped to precipitate the problems in the PMS and caused its members to suffer? Although the Government may make a technical argument for not treating PMS members and Icelandic savers equally, they are real people who depend on their savings. Does he agree that whoever forms the next Government should treat those Irish savers and savers in the Icelandic banks equally?

Dr. McCrea: I agree wholeheartedly with the hon. Gentleman's sentiments. It is correct that, whatever technical point the Minister may come up with to get out of doing what should be done, it will not rest easy with people in Northern Ireland. Should there be a Government of a different complexion after the election,

[Dr. McCrea]

I hope that they will consider the matter seriously and prove themselves faithful to the people of Northern Ireland.

Mr. Nigel Dodds (Belfast, North) (DUP): I congratulate my hon. Friend on securing this important debate. He mentioned that the Presbyterian mutual society was allowed to go into administration as a result of action taken by Arlene Foster, the Minister of Enterprise, Trade and Investment in Northern Ireland. As the then Minister of Finance, I was part of a meeting between devolved Ministers and the PMS. Is not the swiftness with which action was taken in the Northern Ireland Assembly an illustration of the benefits of devolution to Northern Ireland, which allows local politicians to respond with flexibility, imagination and rapidity to crises that arise in the affairs of the people of Northern Ireland?

Dr. McCrea: I agree wholeheartedly with my hon. Friend. I will touch on some of his points as my speech develops.

There is little merit in apportioning blame for the PMS's difficulties. Last month, on 18 February, the Treasury Committee, chaired by the right hon. Member for West Dunbartonshire (John McFall), published a report entitled, "The failure of the Presbyterian Mutual Society". Although I welcome the fact that the report highlighted the fact that many people are still suffering, I feel that it entered the territory of who was to blame for the crisis, without finding any solutions. The questions posed when the Chair spoke at Stormont might have added to the debate and, indeed, such finger pointing might have momentarily given a grain of comfort to those who are hurting most. However, the report was disappointing, because it contributed nothing in terms of the real positive solutions that are necessary. That is exactly what I want this debate to touch on today: the positive solutions.

During this morning's debate, I will not be distracted by a blame-game attitude. I will strain every muscle to focus every effort on seeking a quick and genuine resolution to the issue. We must all vigorously pursue such a resolution, so that we can alleviate the distress and hardship that are genuinely being experienced by these savers, many of whom have been caught in the valley of despair. Many ordinary PMS savers are asking how we have got into this situation, and it can be rightly acknowledged that many factors were at play, including the downturn in the property market and the instability of the UK's established financial institutions.

Again, I stress that we need to find a solution for those people who have been affected by the difficulties, rather than simply blaming those at fault. I have no doubt whatsoever that the matter of who is to blame will be a challenge for another day, but it is not something to be considered now. We must recognise the impact that the crisis is having on thousands of savers who lodged money in the PMS. We, as politicians in Northern Ireland, have received hundreds of letters from distressed savers who cannot afford to pay the fees of old peoples' homes, their children's university tuition fees or the tax bills incurred by selling off property and lodging money in the society until they purchased their new home.

Lady Hermon (North Down) (UUP): It is, of course, delightful and regrettable that this will be the last time I will serve under your chairmanship, Sir Nicholas. The hon. Gentleman will be well aware that in North Down I, too, have many Presbyterian savers with the PMS. I am a Presbyterian, but I am not a saver with the PMS. My constituents, like his constituents, were looking forward to a positive outcome from the Prime Minister's working group that was set up on 17 July 2009. A Treasury report states that the group was set up with the expectation that it would

"report back to the Prime Minister in the autumn."

To my knowledge, no such report has appeared. My constituents and the savers in Presbyterian churches not just up and down North Down but throughout Northern Ireland are greatly disappointed with the attitude of the Prime Minister and the Government, who I am sure the hon. Gentleman would agree have a moral obligation to support PMS savers. Will he perhaps enlighten hon. Members as to why no report was forthcoming last autumn?

Dr. McCrea: I thank the hon. Lady for her intervention. We will have to wait for the later part of the debate to find out why the report has not been forthcoming. However, I want to develop that matter a little further and I will touch on it again in my remarks.

Many of the people I have been speaking about put their life savings into the PMS because they were assured that the society was safe and honest. They were also assured that it would help the furtherance of God's work and, of course, that they would get a return on their money. Comforting expressions of concern and sympathy will not suffice in dealing with this crisis; we must actively engage with the Government to reach a solution that will allow pensioners, families and ordinary citizens to have access to their hard-earned money. The crisis is impacting not only on families, but on many Presbyterian Church congregations throughout Northern Ireland, who had money saved to build new church halls and so on. The Presbyterian Church plays a vital role in civic society by organising after-school clubs, old age pensioner groups, youth groups and so on. Many of those groups must now endure financial hardship.

Only yesterday, the administrator of the PMS announced that people who have more than £20,000 in the society will get a payout of 12p for every pound they had in the PMS. That is the first payout since the PMS went into administration in November 2008, and although it will provide a crumb of comfort for those who have more than £20,000 in the society, it will do absolutely nothing to comfort those who have less than £20,000. Many of those people are hurting most.

Mr. Gregory Campbell (East Londonderry) (DUP): I congratulate my hon. Friend on obtaining the debate. He is touching on a critical point. Although all the savers are obviously hurting because of what has happened over the past 17 months, many senior citizens had up to £20,000 in the PMS. They are totally dependent on that money for the remainder of their lives and many were going to use the relatively small sums of money that they had for their funeral costs. We need to try to assist those people as well as the others.

Dr. McCrea: I wholeheartedly agree and thank my hon. Friend for his intervention. I have major concerns that yesterday's announcement will only put many of

the smaller savers into deeper despair. Unfortunately, in February this year, the High Court in Belfast made a ruling that investors with less than £20,000 could not be considered creditors of the PMS and therefore could not share the £20 million of income that the society has generated since it went into administration. We need Government action to resolve the issue, so that all who placed money in the PMS—both small and large savers—can get their money back.

I am not suggesting that nothing has been happening to take the issue forward. I know that the First and Deputy First Ministers have had meetings with the Prime Minister and Treasury officials on several occasions. In addition, my hon. Friend the Member for East Antrim (Sammy Wilson), the Minister for Finance and Personnel in the devolved Administration, and Mrs. Arlene Foster, the Minister of Enterprise, Trade and Investment, have been actively engaged in these negotiations. I pay special tribute to them for that. However, the bottom line is that my constituents are still without their much needed money—indeed, the point made by my hon. Friend the Member for East Londonderry (Mr. Campbell) showed how much that money is needed and how people are hurting.

Some people have been credited with talking a good talk on the issue, and have gleefully pointed the finger at others while stating that others have all the responsibility to resolve the matter. However, we all carry a responsibility to use our best efforts to bring about a solution. The Moderator—and, indeed, the past Moderator—of the Presbyterian Church in Northern Ireland can confirm that I, as the Chief Whip of the Democratic Unionist party, have hosted with my right hon. and hon. Friends a number of meetings to discuss the in-depth issues that are pressing their congregational members. Indeed, I have made a further request with the Prime Minister's office for a meeting with the moderator.

In June 2009, the Government set up a ministerial working group to deal with the issue. The group comprised the Chief Secretary to the Treasury, the Economic Secretary to the Treasury, the Secretary of State for Northern Ireland, the Northern Ireland Minister for Finance and Personnel, the Northern Ireland Minister of Enterprise, Trade and Investment and the First and Deputy First Ministers of Northern Ireland. Much work has been done and continues to be done behind the scenes to find a satisfactory resolution to the matter for those who have lost money through the PMS. However, it is vital—indeed, imperative—that the Government here in Westminster, together with the local Administration in Northern Ireland, redouble those efforts and work to find a resolution to the problem.

Savers with the PMS have waited too long; they need assistance from the Government on the matter. We have already seen our Government help to protect the interests of those who have money saved in the Icelandic banks. Is it too much to ask for the Government to help savers who have money saved in Northern Ireland? The PMS is not simply a Northern Ireland issue any more than Dunfermline was simply a Scottish issue. Only a UK solution is fair and equitable.

One might well ask what the rationale was for what is believed to be the Treasury view that the Northern Ireland Executive and the Presbyterian Church should contribute to a hardship fund. That is only necessary because the Government have failed to treat PMS members like other savers in other failed financial institutions. Why were the Scottish Executive not required to contribute to the rescue of the failed institutions within their jurisdiction? I am sure that the Treasury is aware that the only resources available to the Presbyterian Church are those contributed every Sunday by the people in the pews. Is it not wholly unfair that the community that has been directly hit by the failures of the PMS should be required to pay in part for the rescue?

The PMS was a completely autonomous institution over which the Church had no control, and its failure was a local manifestation of a general failure of the UK financial sector. Do the Government realise the huge sense of injustice and unfairness that the handling of the PMS issue has generated? We are talking about thrifty, decent and hard-working people who had every reason to believe that they were ordinary savers. They believe that they have been singled out for discriminatory treatment by the Government, who have shown little regard for the dire consequences of what they have failed to do. My constituents genuinely feel that the Government have not seriously addressed the arguments put forward in support of their case by the PMS lobby group.

The reality of the situation is that for eight months after the PMS collapsed, London displayed a lack of interest. Although I appreciate that the ministerial working group and supporting officials have been working closely with the administrator to seek a commercial resolution to the winding-up of the PMS and are considering other alternatives to assist PMS savers before reporting to the Prime Minister when they conclude their deliberations, the savers are the only ones in the UK who have been denied access to their savings during the most severe period of the recession.

In the Minister's opinion, is the idea of facilitating a commercial solution still a viable and practical option that is being followed seriously? I have been asked whether a commercial solution for the PMS would be facilitated if, as was done in some other cases, the riskiest assets were removed for separate, bad bank-style treatment. Did the Treasury consider such a move and feature it in any discussion with the financial sector? If not, is that not another example of the lack of innovative thinking in tackling the matter, compared with the resourcefulness and urgency shown in the rescue of other failed financial institutions?

It is also fair to say that as recently as 3 March the Secretary of State for Northern Ireland told the Northern Ireland Affairs Committee that a commercial solution was the best solution. What role has the Treasury, which is the lead Department for the financial sector, played in seeking to interest a bank in absorbing the PMS assets and liabilities? How many meetings did the Treasury have with the financial sector on the PMS and what kind of support did it offer? Perhaps the answers to those questions would give concrete evidence of the significant action taken by the Treasury and the Westminster Government.

Perhaps I should also touch on the question of culpability. Reference is sometimes made to the culpability of the PMS for the misfortune of its members, but the same could be said of other failed institutions and the culpability of their boards, managements, advisers and auditors. The crucial point that I want to make in response is that none of the savers in any of those institutions was

[Dr. McCrea]

allowed to suffer as a result. The Government's declared aim throughout was to protect the innocent victims of the economic and financial crisis. Surely their treatment of the PMS savers must stand out in sharp contrast as the exception. Indeed, the Government go even further and find the PMS savers themselves culpable for not appreciating, as the Government continue to assert, that they were not savers at all, but investors. I resolutely challenge that contention.

I appreciate that many other Members want to speak in this important debate, but before concluding I will ask the Economic Secretary a further question. Does he subscribe to the view expressed by a Treasury official to a visiting delegation that a major reason for the PMS not being treated in the same way as other failed financial institutions was that, unlike them, it posed no systemic risk to the economy? In other words, the others were too big to be allowed to fail, whereas 10,000 savers in Northern Ireland are expendable. Does he not agree that that is a shameful and deeply offensive comment that fully justifies the suspicion that the Government never intended to include PMS savers within their boast that

"no saver has lost money as a result of the economic and financial crisis"?

We all believe that we must do something, but time is running out. Possibilities seem to be getting limited, but one possibility that is not acceptable to my constituents and, I believe, those of my right hon. and hon. Friends, is for those honourable people to be left stranded. Reams have been written on the subject and column inches thick with suggestions have been recorded by the wise and the good, but a resolution is still not a reality. I hope that in the debate we will get cross-party support on the matter. I urge Members to encourage the Government to redouble their efforts to find a solution to that urgent and important matter. I tell the Minister to be innovative and bold, to take the lead and to make his name for the good people of Northern Ireland.

9.55 am

Mark Durkan (Foyle) (SDLP): It is always a pleasure and an honour to serve under your chairmanship, Sir Nicholas, but today is touched with sadness. This is the last occasion on which you will preside, with your keen interest and intense sympathy, over our deliberations on matters affecting people in Northern Ireland. I congratulate the hon. Member for East Antrim—*[Interruption.]* That was a map-reading error. I congratulate the hon. Member for South Antrim (Dr. McCrea) on securing this timely debate on a hugely important matter.

The hon. Gentleman said that people do not want blame games in relation to this matter, and the Presbyterian mutual society savers I have talked with—both constituents and others—do not want claim games either. People are concerned that there is some partisan tripping going on in relation to things that emphasise the role of Ministers of particular parties in certain ways. I remind him and other right hon. and hon. Members that when the crisis happened, the Minister rightly and alertly moved to legislate. That was supported by all parties and by the Committee for Enterprise, Trade and Investment in the Assembly, which I happened to chair at the time.

The Committee took a keen and active interest and engaged with officials and the administrator in ways that did not cut across what the Minister and her colleagues were doing and did not distract in any way or compromise the role of Ministers in their engagements with the Treasury and others. That must be remembered as an important matter of context.

Reference was made to the Treasury Committee report published last month, which was a welcome intervention in the matter. I hope that we Northern Ireland Members will not waste time today, in front of the Economic Secretary, disagreeing with and quibbling about aspects of that report. The report tried to inject urgency into the situation and show a real and keen sympathy. It was particularly helpful in cutting through the fog of obfuscation coming from the Treasury and others in London on the status and circumstances of the PMS savers.

In particular, the report effectively refuted the nonsense that the savers should be treated as investors rather than bona fide savers and as shareholders with regard to the equity, as though commercial and tradable shares had been involved; they were simply withdrawable shares that the savers thought were the form of their savings engagement, on a mutual basis. That is what they always understood them to be, no matter how others have sought to characterise them.

The Treasury Committee had to look at the background of what had happened, with regard to the performance and conduct of the society and the regulatory environment in which it all took place. Were there issues and lessons there?

One reason why the Treasury Committee had to look into the background was that it has done exactly that in respect of every other banking or financial institution failure. If we are going to say that the Treasury and others should not treat the PMS any differently from any of the other institutions that have collapsed or got into difficulty, we cannot ask the Treasury Committee to treat the PMS and its circumstances any differently from how it has treated any other institution. For other institutions, it has drawn attention to mistakes, misjudgments and misdeeds on the part of the institutions. It has also drawn attention to some of the regulatory failures, assumptions, oversights and gaps—the kind of twilight zones that have given rise to the difficulties that were caused, which people are still locked into. It was right and proper that the Treasury Committee should do that.

I regret the fact that people in the Department of Enterprise, Trade and Investment were perhaps a bit oversensitive to some of the observations. Indeed, I could have taken issue with aspects of the Treasury Committee's report, which rightly and understandably questioned why no one in the Assembly knew that this problem was about to come up. Why did the Enterprise, Trade and Investment Committee, which I chaired, not realise or anticipate that there might be a problem? I could say, "That is misplaced. It is undue criticism, and an unfair question to ask of us. How could we know, in the circumstances?", but the issue here is not civil servants, Northern Ireland politicians or Ministers of whatever party in Northern Ireland. The issue is the need and plight of the PMS savers, and we have to roll with the punches when questions are asked about the political and regulatory systems.

The hon. Member for South Antrim rightly highlighted the circumstances of PMS savers, and when we consider logic, circumstances and emotions, we can see that two statements made this morning—in response to the announcement of 12p in the pound being given to people who had more than £20,000 committed to the PMS—are true: one, there is at last some welcome comfort for some savers; and, two, it is too little, too late.

We need to ensure that things move forward from here. The ministerial working group was established last year on the back of an intervention during Northern Ireland Question Time by the Chair of the Treasury Committee, who called on the Secretary of State for Northern Ireland to convene a meeting of Treasury Ministers, devolved Ministers and Northern Ireland Office Ministers. That initiative then became the ministerial working group. Savers are waiting for outcomes and results. They feel that what they have had from all of us who are involved in this has been a lot of finger-pointing and hand-wringing. They want answers—not insults to their intelligence and motives, or mischaracterisations of them as speculative investors.

I have constituents who are members of the PMS; some of them had their life savings or life-start funds for their families committed to the society. Not all of them are actually Presbyterian, even though it is a condition of membership. One constituent is a woman who received significant but hard-won compensation for serious brain injuries resulting from a road traffic accident. Her solicitor, who helped her for many years in that fight, said, "I know a good place for that money." So, as well as £20,000 in withdrawable shares, more than £900,000 awarded by the court to look after her for life was committed to the PMS in trust through the solicitor. She is in a dire situation, as are many others. She has cause to resent the insinuations made by some people that those who have more than £20,000 invested are fat cats who do not really deserve sympathy as smaller savers with less than £20,000 do. She does deserve sympathy.

I have another constituent who has significant money involved—well over £600,000—in a charitable trust in his family's name. The trust does good work in my constituency and the constituencies of other hon. Members, including the hon. Member for East Londonderry (Mr. Campbell), and in Africa. There are many good causes and worthy circumstances that need to be borne in mind and considered, and the Treasury needs to show more sympathy and urgency in that regard.

We need from the Treasury a firm indication that it gets what is wrong. It is no good its pretending that we can afford to allow the PMS savers to linger in their plight because they are not systemically significant. It is no good its saying, "There are serious questions for the PMS itself; some of what it was doing was illegal." If some of what it was doing was illegal, it was not down only to the DETI in Northern Ireland to spot that. The illegalities were in the areas of interest and oversight that were the business of the Financial Services Authority. What was that institution doing during that period about sectors in which it should have had an interest?

As the hon. Member for South Antrim said, we need to look at everyone else who has faced difficulties because of pressures on their institutions. It needs to be borne in mind that in those cases there were institutional mistakes and misjudgments, and regulatory oversights and failures, but in none of them did the savers themselves end up having to pay the price or carry the can. PMS savers in Northern Ireland are uniquely put in that position, and the indifference that has been shown by the Treasury borders on injustice.

10.6 am

Mr. Peter Robinson (Belfast, East) (DUP): It is an honour today, as it always has been, to serve under your chairmanship, Sir Nicholas. We have always appreciated the extensive interest that you have taken in the affairs of Northern Ireland, and you will be greatly missed by this House, not least for the authority and command that you have exercised. The House is to lose one of its star performers. We very much appreciate the role that you have played and your interest in the affairs of our Province.

I have no direct interest to declare, as I am neither a Presbyterian nor a saver, anywhere, but I should at least declare my membership of the Prime Minister's ministerial working group. The working group was not set up as the result of any call made in the House of Commons. I was present at the meeting when the group was put together; I was present when its terms were agreed; and I was present when the statement was agreed on its being set up in direct response to a request made by the Deputy First Minister and myself. The Prime Minister readily made that response because he accepted that there was a "moral obligation"—that was the term that he used—on the Government to assist the savers of the Presbyterian mutual society. He did not use the term "savers"—that has always been my term. He prefers "investors", but we have already heard the challenges to the use of that term.

Like others, I do not want to involve myself in a blame game, nor do I want to make claims about how we might move forward. It is clear to me that the problems faced by the PMS arise directly from the fact that the Treasury restricted the guarantees if offered to financial institutions to those that were authorised by the Financial Services Authority. There is a special set of circumstances in relation to the PMS which I believe should have been taken into account. The society should have been covered by that umbrella, but it was not, which led to a run on the liquid assets of the PMS as soon as it was discovered that guarantees were available in other banks. People started to move money across and pressure came on the PMS, with the consequences about which we are all aware.

I have constituents who are facing real hardship as a result of their circumstances, just as my hon. Friend the Member for South Antrim (Dr. McCrea) and the hon. Member for Foyle (Mark Durkan) outlined. I have a constituent who is in precisely the circumstances outlined by the hon. Member for Foyle: they were seriously injured in a car accident and received a compensation payment, which was placed in the PMS, but they cannot get access to the funds for their care and are having to rely on family members to provide them with help, enabling them to mark time until the moment when the problem is resolved.

There are four ways forward. One of them, which in my view should not be entertained, would be to allow events to take their course and allow someone to go to the courts and force the administrator to have the fire sale that my hon. Friend the Member for South Antrim

[Mr. Peter Robinson]

spoke of. That would be the worst set of circumstances. I suspect that that course of action would lead to most, if not all, of those who have lent money receiving their funds back, but all those who have less than £20,000 probably not getting anything back. That would lead to considerable hardship on the part of those who need the funds most of all.

The next option is to set up a hardship fund, which would allow the previous option to play out, but ensure that help was available to those in the greatest difficulty. That would have limited appeal. It might take away some of the pain, but it would take a very long time for the administrator to work through his end of the problem, it would probably be several years before the fire sale took place, and it would take considerable time for the hardship fund to be put in place.

The next option is for assistance to be given for an orderly run-down of the affairs of the mutual society. All of us recognise that the administrator has indicated that we are not dealing with a society that is holding on to toxic assets. The fact that it was said that, recently, lenders were given 12 pence in the pound because funds of more than £20 million were available to the administrator to disburse indicates that funds are coming in to the mutual society. Its assets are solid and strong. It is the problem with the property market that gives the greatest difficulty to the administrator. Given time for the property market to recover, I believe, on the basis of what the administrator has indicated, that it will be possible for the administrator to be able to recover the funds not only of the lenders, but of those who would be described as shareholders—those with less than £20,000 saved.

That option should be seriously considered, but only if there is no commercial option available—that is, no banking option. That is much the best option open to the society. All of us recognise that, the longer we go without someone stepping forward and indicating that they are prepared to take over responsibility for the society, the more likely it is that we will have to consider other alternatives. I understand that a commercial interest is still looking at the society's affairs and carrying out due diligence, so there is a strong possibility that something may come from that.

The Deputy First Minister and I have been considering this matter for a long time with our colleagues, including the Finance Minister and the DETI Minister. I say to the hon. Member for Foyle that those people happen to be members of my party, but their portfolios and their ministerial responsibilities bring them together with the Deputy First Minister, who, in spite of the fact that he can, like myself, say that he is neither a Presbyterian nor a saver in the PMS, has shown an interest and has attempted at all times to be helpful in this matter. We are agreed on a proposition that we have put to the Treasury. It would be a fall-back position—an option to be picked up if it is not possible to move ahead with a commercial proposition. It would require the support of the Executive and the Assembly, and changes to Assembly legislation would be required to bring it about.

The real problem is timing. The more I speak to savers with the PMS, the more I realise that this affair cannot go on until the next Government are in place. It has to be brought to a head and dealt with now. This Administration have the detailed knowledge of the issues involved. On behalf of all those who have been involved with the ministerial working group, I want to put on the record our appreciation of the work done by the Economic Secretary to the Treasury, who has at all times been helpful and has been prepared to extend himself to see if a solution can be found. I trust that, working closely with the Northern Ireland Executive, we can within days, and certainly within a few weeks, allow some hope to be expressed tangibly to those who have funds locked in the PMS.

All of us know about the difficulties being experienced by people in our constituencies, including those whose money is in the PMS for the purposes of funeral expenses. I cannot overstate the extent to which the thought that their funds will not be available in such circumstances causes anxiety and concern to elderly people who are without other means. Businesses have funds locked in the PMS, as do churches, whose building programmes have ground to a standstill because funds cannot be realised as a result of the present difficulties.

I urge the Minister to look favourably on the solutions and to assist in whatever way he can any commercial interest that is still sitting there, so that this matter can quickly be resolved.

Dr. McCrea: Can my right hon. Friend assure me that, whatever proposal is being made, takes into consideration not only those with more than £20,000, but those with less than £20,000, who are also suffering greatly?

Mr. Robinson: To me, it is not a solution if it does not resolve that issue as well. Those of us in the ministerial working group are of the view that the lenders could probably have their funds returned to them through a fire sale, but those with less than £20,000 saved with the PMS would be harmed and left outside. It is a solution that helps to resolve the matter, or at least removes the greatest element of pain for people in that category. I urge the Minister to use all his influence and ability to try to get a commercial outcome; but, in the absence of that, to give the Treasury support that would be necessary for the Administration's option, should that be required.

10.19 am

David Simpson (Upper Bann) (DUP): As well as congratulating my hon. Friend the Member for South Antrim (Dr. McCrea) on securing this debate, I join others in congratulating you, Sir Nicholas, on your esteemed career in this House, not only as a friend of Northern Ireland, but—dare I say it?—as a loyal friend to Northern Ireland. You were a great help to me when I was a young—*[Interruption.]* I thought that that would raise a reaction—first-time MP. I thank you for your help and guidance over the past five years, and I wish you and your wife well for the future.

The Presbyterian mutual society is an issue that has hung like a dark cloud over our Province for far too long. My constituency has been steeped in Presbyterianism for many hundreds of years. Indeed, the current Moderator, who is with us for this debate, lives there. I pay tribute to him for his tireless efforts in trying to resolve the problem for his congregations. I also pay tribute to his predecessor.

The prolonged crisis of the Presbyterian mutual society has many complex and technical aspects, but above all we must never forget the severe impact on ordinary, decent people. Suddenly, in October 2008, as a result of

a dramatic run on its resources, caused by the Government's decision to guarantee deposits in conventional banks, the PMS collapsed and savers were plunged into a nightmare. Not surprisingly, they were consumed by panic and despair. If words could solve the problem, it would have been sorted a long time ago. We have had numerous debates and questions in the Northern Ireland Assembly, and the matter was debated again as recently as Tuesday last week, but words are not enough; we need action. My party has worked tirelessly to try to achieve a satisfactory outcome.

When the news broke, we took immediate action to try to create some stability, and to allow room for a solution to be found. Following an approach by the directors of the PMS, my party colleague, Arlene Foster, the Minister of Enterprise, Trade and Investment, made an order under insolvency legislation to give the society the option of going into administration. That prevented an immediate sale of the assets belonging to the society and provided an opportunity for an administrator to manage its affairs with a view to safeguarding its assets and funds, and preserving the interests of its members.

The Minister of Enterprise, Trade and Investment has worked tirelessly, as have the First Minister, who is with us today, and the Minister of Finance, to bring the crisis to a satisfactory conclusion. The PMS working group was set up as a result of pressure from my party and it continues to work for a resolution. With my hon. Friend the Member for East Londonderry (Mr. Campbell), I sit on the Assembly's Select Committee on Enterprise, Trade and Investment, and the matter is regularly raised. I also sit on the Select Committee on Northern Ireland Affairs at Westminster, with the hon. Member for North Down (Lady Hermon), and again the matter is raised regularly, because we know the difficulties that many savers are going through. We continue to lobby hard on behalf of investors.

I was disappointed by the recent court ruling, which indicated that savers who had deposited £20,000 or less could not be classed as creditors and therefore would not be entitled to a share of any of the £20 million income generated by the PMS since it went into administration. I, for one, certainly see considerable merit in the idea of a bank-based rescue plan, and I look forward to hearing what the Minister says about that commercial route.

Last month's report from the House of Commons Select Committee on the Treasury has not helped. Instead of suggesting a solution, it seemed more concerned to pass the buck by blaming Stormont, particularly the Department of Enterprise, Trade and Investment. We want a resolution.

Lady Hermon: Will the hon. Gentleman take this opportunity to clarify a point? When his party—I am pleased to say—reached agreement at Hillsborough on 5 February, there was speculation and unfair criticism that a side deal had been negotiated by his party. I am sure that the hon. Gentleman would like to take this opportunity to clarify that that was not the case.

David Simpson: I have a lot of respect for the hon. Lady, but that is a separate issue. The issue that was dealt with at the Hillsborough talks was policing and justice. The PMS was a totally separate issue, but I understand the hon. Lady's concern, because her constituency, like mine, is steeped in Presbyterianism. We all want a resolution.

Dr. McCrea: Will my hon. Friend acknowledge that whenever we have had the ear of the Prime Minister, we have used the occasion effectively, and will continue to do so, to try to achieve a resolution? We will never apologise to anyone for that.

David Simpson: I agree with my hon. Friend that we should never apologise for that. Every opportunity should be used to try to achieve a resolution.

We must all play a full part in the search for a resolution, but the ultimate responsibility to help rests with Her Majesty's Government. I cannot state more strongly that the people who invested in the PMS need help, and they need it now.

10.28 am

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): I declare an interest as a member of the Presbyterian Church in Ireland and the Banbridge Road Presbyterian church congregation, but I am not a saver in the PMS. Right hon. and hon. Members have shared the problems encountered by their constituents, and their hardships. Recently, the Minister for Social Development in Northern Ireland indicated that PMS savers who do not have access to their savings and apply for social security benefits, including tax and pension credits, would not have their savings taken into account when determining their entitlement to such benefits or tax credits until such time as the PMS matter is resolved.

When the Minister responds, will he be cognisant of the difficulties that some PMS savers face in relation to tax liabilities? I have a constituent who owes tax—capital gains tax I believe—which was to be paid from the savings that they hold with the Presbyterian mutual society. They have not had access to their savings for over a year, and I am aware of other people who owe income tax, capital gains tax and, in some cases, inheritance tax, who were planning to use their savings to pay off those liabilities. I ask the Minister and the Treasury to make Her Majesty's Revenue and Customs aware of the difficulties faced by PMS savers, and to ask for special arrangements to be put in place in circumstances where savers are unable to access their savings. In advance of a solution being found, leniency should be shown and flexibility demonstrated to allow those savers more time to pay their tax liabilities, without facing significant penalties that would only add to their distress and financial difficulties at a difficult time. I ask the Minister to take account of that issue.

Sir Nicholas Winterton (in the Chair): I thank hon. Members from Northern Ireland for being so succinct and helpful in this debate. We will now start the winding-up speeches.

10.31 am

Dr. John Pugh (Southport) (LD): Thank you, Sir Nicholas. It is always a privilege to serve under your chairmanship, and it is always a pleasure as well. I want to pay tribute to the humanity and kindness that you have shown to many hon. Members, and to your constant good humour. I have never known you to have a bad day or look remotely miserable; perhaps the hon. Member

[Dr. John Pugh]

for Congleton (Ann Winterton) could advise me differently, but I have certainly not experienced it in the House. I also congratulate the hon. Member for South Antrim (Dr. McCrea), who introduced this important debate. Hon. Members have spoken from their personal and local experience, and I do not want to trespass on that, other than to make a few brief and general remarks.

This is a sorry state of affairs. The 10,000 members of the Presbyterian mutual society have become victims of that society. Obviously, one contributing factor to that was poor lending behaviour and unauthorised activities, which was all part of the age of profligacy, and we must acknowledge the poor decision making by executives of the PMS. However, many people who have suffered from such decision making have been bailed out, including bankers themselves. Members of the PMS are particularly unfortunate because the PMS is not a bank. It is not covered by the Financial Services Authority and therefore there has been no bail-out. There is not yet any satisfactory regulatory structure for mutual societies, although an excellent private Member's Bill, which I played some part in, is going through the Commons and will deal with that problem to some extent, although only in a retrospective way.

As with Equitable Life, there is an issue of regulatory failure. As the Treasury Committee stated, no reasonable person, and none of the members of the society, could have supposed that such errant behaviour would have been allowed. There is a feeling, which seems to be manifest in what hon. Members have said, that all the organisations that ought to have worked on behalf of members of the PMS have to some extent let them down or washed their hands of the issue. The FSA does not think that it was its responsibility to have done otherwise, and the Treasury Committee points the finger at the Department of Enterprise, Trade and Investment in Northern Ireland. It does, however, recognise that although that Department might have had the knowledge to act, it had no legal power. Furthermore, even the Department of Enterprise, Trade and Investment could not have anticipated the effect that Government guarantees to other banks would have had on the PMS, and that view has been stated by the directors of the PMS.

To members of the PMS—the sufferers in this case—it can seem that blame is a pass-the-parcel kind of affair. The PMS is faced with £20 million of assets, when the original assets were £300 million, and the organisation is in administration. Members of the PMS seem sadly caught by the semantics of the situation. They are unprotected because they are classified as investors rather than savers, and they stand at the back of the queue because, according to the courts, they are lenders and not creditors. I am sure that that is no comfort to them whatsoever as their situation is pretty grim. There are no interim payments in prospect, and they are not first in the queue for claims. There is no date for when administration must finish, and no clear idea of how it will finish—it could go on for years.

Those people are a sad casualty, but normally that would be mitigated a little by the fact that in all investment there is a hazard and a fair risk. However, the Treasury Committee made clear its view that there was no rational reason why members of the PMS should have suspected that the organisation would get into such a plight, and there was no obvious in way in which they could have found out about it. There was a general presumption that, since the society was backed by the Presbyterian Church, the most prudential ethics would have applied.

To cut to the quick, the hon. Member for South Antrim talked about this being the time for real positive solutions. There seem to be four possible solutions. One is to rely on existing procedures such as administration and the courts in order to work a way out. However, on objective examination, it seems that the levers are simply not there to resolve the situation in a timely and effective way. Another solution that has been alluded to would be to wait for another company to step in, or for something to turn up—a kind of Mr. Micawber solution. The retrospective solution is obviously to ensure that such things never happen again, and I think that we will do that, although that is retrospective. The fourth solution, which appears to be the burden of the debate, is to call on the Government to be "innovative"—that was the word used by the hon. Gentleman—and to take some ad hoc Executive action to ameliorate the situation of the principal sufferers in these sad events.

10.36 am

Mr. Mark Hoban (Fareham) (Con): I join right hon. and hon. Members in saying what a pleasure it is to serve under your chairmanship in the last debate in Westminster Hall over which you will preside, Sir Nicholas. The hon. Member for Southport (Dr. Pugh) suggested that you have an almost permanently sunny disposition, but I remember an occasion—the final sitting of the Finance Bill 2008 Committee—when that was tested to the extreme—*[Laughter.]* Your laughter now is a good sign that we did not push you too far on that occasion. It is an honour to take part in the debate today.

I congratulate the hon. Member for South Antrim (Dr. McCrea) on securing the debate. This is an important matter and it is not only hon. Members from Northern Ireland who have received correspondence about it. In my role as part of the Conservative Treasury team I have received a number of letters from people in Northern Ireland who are savers with the Presbyterian mutual society. They have expressed concerns about their financial plight and are looking for a solution.

One of the points that came across strongly in all contributions made this morning is that we cannot forget the personal circumstances of those who have put money into the Presbyterian mutual society and are suffering as a consequence. Although there are legal distinctions between those who put in less than £20,000 and those who put in more, everyone is suffering hardship as a consequence of what has happened. The hon. Member for Foyle (Mark Durkan) gave an example, and the right hon. Member for Belfast, East (Mr. Robinson) made a similar point about people who have locked up significant sums of money for their long-term needs and are suffering as a consequence.

The distinction about whether someone is a shareholder, a saver or a creditor reminds us of the importance of ensuring that people are aware of their rights in the event of a financial problem. We saw that in the financial crisis more generally, and we must ensure that people are aware of the limits and guarantees of the Financial Services Compensation Scheme. When people invest or save with organisations, they should be aware of their

rights. It is the duty of those who run such organisations to ensure that their customers, members and shareholders know what their rights are in the event of a financial crisis and can take decisions about the appropriate amount of exposure to a particular entity.

As the hon. Member for Foyle said, the Treasury Committee has published its report on the Presbyterian mutual society. It raises important issues about the regulatory structure and the need to make progress in resolving the crisis facing members of the Presbyterian mutual society. It is helpful that we have present two members of the ministerial working group: the right hon. Member for Belfast, East and, of course, the Economic Secretary to the Treasury. I had hoped that we might get more of an insight into the workings of that group. The right hon. Gentleman set out four options for resolution. I hope that the Minister will go further and set out more clearly the Government's position.

The right hon. Gentleman was right to stress the urgency of resolving the issue. It is important to resolve it before the general election. People have been waiting quite some time for a proper outcome. I hope that the Minister will make some positive remarks on what the solution might be, because in the absence of that, there will be a hiatus before a new Government are formed and are able to consider the matter. However, I am sure that if the present Government do not resolve it, the Government formed after the election will deal with it as a matter of urgency to bring about some resolution.

Lady Hermon: I am most grateful to the hon. Gentleman for taking an intervention. Picking up on his last comment, let us suppose that, unfortunately, resolution is not achieved this side of the general election. I hope that it is resolved, and the right hon. Member for Belfast, East (Mr. Robinson) has given us some hope this morning that it will be, but in the event that it is not, will the hon. Gentleman explain how often he has discussed the PMS with the Leader of the Opposition and what exactly the Conservative party would do if it was returned after the general election as the Government? What would it give the PMS savers in Northern Ireland? What is its express commitment to them?

Mr. Hoban: Our commitment on the PMS is the same as our commitment on Equitable Life: if the problem is not resolved by the time of the next election, we would want to resolve it quickly. That is our obligation to the people who save with the PMS. I think that we all want to see a quick resolution to the problem. It has been hanging around too long. I hope that people will not have to wait until a new Government are formed.

Dr. McCrea: Will the hon. Gentleman give way?

Mr. Hoban: Very briefly. I want to give the Minister long enough to respond to the debate.

Dr. McCrea: Will the hon. Gentleman go further and give us a clear assurance? The Prime Minister says that there is a moral obligation to find a solution, but can we have a clear expectation that the resolution will guard the rights of those savers with savings of less than £20,000 as well as those with more than £20,000?

Mr. Hoban: The hon. Gentleman makes an important point. I said earlier that I am very conscious that those people with savings of less than £20,000 are suffering hardship as a consequence of the problem. A solution needs to involve very careful thought given to how the rights of the two groups are balanced. The pay-out that has been made already—12p in the pound—benefits those with greater savings but, as the hon. Member for Foyle pointed out, we cannot just think that those with greater savings are fat cats. A balance needs to be struck in any deal.

One concern that people rightly have is the time that it has taken to get to the present point. Last July, the Treasury announced that there would be a working group of Ministers involving the Northern Ireland Executive, the Treasury and the Secretary of State for Northern Ireland. At the time of the statement, on 17 July 2009, the working group was scheduled to report back to the Prime Minister in the autumn, but no report was published. When I checked yesterday whether anything had been published, I found that, still, nothing had been published. Here we are, eight months since the announcement, still waiting for a resolution to the problem.

The Treasury Committee was right to point out that problem. A logjam has been created. The administrator has apparently been waiting for the group to report, but the Minister of Finance and Personnel in the Northern Ireland Executive, the hon. Member for East Antrim (Sammy Wilson), said that while the administrator was

"seeking that resolution with other financial institutions, the report cannot be completed".

There appears to be a logjam, with the administrator waiting for the ministerial working group to report, and the ministerial working group waiting for the administrator to sort out what is happening. That has created a significant delay. We need to make progress.

The Treasury Committee was quite robust in its criticism. Knowing the work of the Committee well, I thought that the language it used was a mark of its unhappiness with the slow progress. In paragraph 62 of its report, it stated:

"We consider it unacceptable and farcical that both the UK Government and the Northern Ireland Executive appear to have suggested some responsibility for solutions but have failed to act."

It pointed out that the people losing from that were the members of the Presbyterian mutual society.

That is the point on which I shall conclude: people are waiting for a response. It is right for the Government to take responsibility for resolving the issue and to doing so before the general election, but let me reiterate what I said earlier. I am sure that, if the present Government do not solve the problem but leave it for their successors to deal with, their successors, whoever they are, will deal with the problem with greater urgency and expedition.

10.45 am

The Economic Secretary to the Treasury (Ian Pearson): It has always been a pleasure to serve under your chairmanship, Sir Nicholas, and it is a particular honour to be present for your valedictory performance as Chair of our proceedings.

I congratulate the hon. Member for South Antrim (Dr. McCrea) on securing this important debate and I am very grateful for the contributions made by right

[Ian Pearson]

hon. and hon. Members on both sides of the Chamber. It is clear that we all share a deep concern about the very difficult circumstances in which many members of the Presbyterian mutual society still find themselves. I reiterate that the Government remain greatly sympathetic about the serious financial difficulties faced by many PMS members. Personally, I want to do all that I can in my remaining time in the House of Commons to ensure that we bring matters to an acceptable conclusion.

As many hon. Members have said, it is right that we should not get into the blame game; instead, we should focus on solutions. However, it is worth taking a few moments to remind hon. Members of the factual background to the situation of the PMS, as it sheds light on some of the difficulties encountered by both the Northern Ireland Executive and ourselves in charting a way forward, and it explains some of the delay and frustration that many people who have put money into the PMS have experienced. Again, I assure PMS members that we are doing all we can to work with the Northern Ireland Executive to come up with an agreed way forward.

The PMS is an industrial and provident society, set up in 1982 to operate for the benefit of its members and the Presbyterian Church in Ireland, and registered under the Industrial and Provident Societies (Northern Ireland) Act 1969. The legislative framework for Northern Ireland industrial and provident societies is a devolved matter, falling to the Department of Enterprise, Trade and Investment of the Northern Ireland Executive. The PMS is therefore registered with DETI, although DETI's role does not include or require any regulatory oversight.

The PMS, like other industrial and provident societies in Northern Ireland, is not a deposit-taking institution. IPSs are not normally regulated by the Financial Services Authority or covered by the Financial Services Compensation Scheme. The legal situation is that investments in the PMS were in the form of withdrawable share capital—that is, those investments of up to £20,000, which I recognise are a particular concern of the hon. Member for South Antrim—and interest-bearing loans to the society. That relates to those investments of more than £20,000. The legislation imposes a £20,000 limit on the withdrawable share capital that an IPS may issue to any member, and an IPS with withdrawable share capital may not carry on banking business.

The PMS holds the same status as other IPSs in Northern Ireland and the majority of IPSs in Great Britain—they are not authorised to conduct financial services business. IPSs in Great Britain and Northern Ireland are required to apply to the Financial Services Authority for authorisation should they wish to carry out regulated activity. IPSs issuing withdrawable share capital up to the £20,000 statutory limit are exempt from the authorisation requirement for deposit-taking under the Financial Services and Markets Act 2000. IPSs that engage in mortgage lending, as the PMS did, require FSA authorisation.

As hon. Members will be aware, an FSA investigation into how the society was run concluded that the PMS

"was conducting regulated activities without the necessary authorisation or exemption."

Reports by the administrator of the PMS to DETI make it clear that the manner in which the society was run, and the actions of certain directors, were highly questionable. FSA guidelines are very clear—that it is for a society to establish whether its activities are such that the law requires it to be regulated, and for a society to notify the FSA if it does need to be regulated. Responsibility clearly lay with the PMS to seek the appropriate authorisation.

The circumstances of PMS members are different from those of depositors in other collapsed financial institutions in at least two respects. First, it is important to remember that the PMS was acting illegally. Secondly, financial institutions supported by the Government, such as the Dunfermline building society, were appropriately regulated and authorised by the FSA and paid a levy to the Financial Services Compensation Scheme. Government support to depositors in institutions such as Dunfermline and Icesave was clearly about banks and other deposit-taking institutions that were regulated by the FSA or European economic area equivalents and which contributed to the Financial Services Compensation Scheme or European national deposit guarantee schemes.

Several hon. Members suggested that Government action to support banks and building societies that got into difficulties created the problems with the run on the PMS, but I do not find that argument compelling. Other IPSs in Northern Ireland and elsewhere in the United Kingdom did not find particular difficulties; rather, the PMS's business model and members' ensuing lack of confidence in it led to the collapse. That is not to say, however, that this is not a serious situation, and we need to do something about it.

As the recent Treasury Committee report observed, PMS members should have been informed that the society was unregulated, that they were ineligible to access the Financial Services Compensation Scheme and that risks were associated with investments in commercial property. Many PMS members feel that they were savers, rather than investors, and that issue has been explored in the debate. I repeat that I want to see an acceptable solution achieved during this Parliament, and I will do what I can to bring that about.

As has been mentioned, the Prime Minister set up the PMS ministerial working group, which demonstrates the Government's commitment to addressing the issue and to working with the Northern Ireland Executive to identify what might be done to assist investors in the PMS. I do not need to go into the working group's terms of reference in detail, but I do want to address some of the issues that have been raised.

First, I recognise that it has taken longer than expected for the group to produce a report on a solution to give to the Prime Minister, but the matter has proved particularly complex. Notwithstanding the best endeavours of the Northern Ireland Executive and Treasury officials, efforts to find a solution have taken some time to come to fruition, and I will say more about that in a moment.

Mr. Hoban: Will the Minister tell us when the ministerial working group last met and how many times it has met since its inception?

Ian Pearson: I do not think that the number of meetings should be seen as a reflection of progress. I have met the Moderator and representatives of the PMS and I have had discussions with officials. As the hon. Gentleman will be aware, the working group is chaired by the Chief Secretary to the Treasury. I sit on the group, and other members include the Secretary of

State for Northern Ireland, the Northern Ireland Minister of Finance and Personnel, the Northern Ireland Minister of Enterprise, Trade and Investment and the right hon. Member for Belfast, East (Mr. Robinson).

As the First Minister said in his helpful contribution to the debate, and as he has said on other occasions, a range of options are under consideration. One is a commercial solution, which would see another financial institution involved in the PMS's portfolio of assets and liabilities. While I recognise that that is the preferred solution for people in Northern Ireland, the fact that a commercial organisation has not so far come forward leads me to conclude that this option is starting to look more unlikely, although it is still being discussed. Clearly, as hon. Members will understand, discussions with commercial institutions must remain confidential.

The Northern Ireland Executive have taken the lead in exploring the possible options, commercial and otherwise, and it is right for them to do so, because the legislation governing IPSs in Northern Ireland is a devolved matter. We need properly to take into account all the issues when working with the Northern Ireland Executive, to see whether we can come up with a solution.

The right hon. Member for Belfast, East mentioned the other options that need to be considered, and there have been discussions about a Northern Ireland solution. A hardship fund for the hardest hit is also being actively looked at. We have reached a stage where, within a short period, the working group can, I hope, produce a report to go to the Prime Minister. There is a basis on which a solution can be found.

Mark Durkan: On a commercial solution, and going back to the circumstances of the collapse, does the Minister recognise that there is evidence of predatory moves by some of the banks in Northern Ireland, which told people, "Move your money out of the PMS because it's not covered by guarantee and give it to us"? People are rightly questioning why some of those banks cannot come forward now, not least when some of them have been covered by intervention by the British or Irish Governments.

Ian Pearson: I do not want to get into the detail in responding to that point. We have had a helpful debate and we have said that, rather than getting involved in a blame game, we want to find a solution that works for those who put money into the PMS, particularly those savers—whether they are savers or investors is a point that we can debate—who put in less than £20,000. We need to continue to focus on what that solution may be.

The right hon. Member for Lagan Valley (Mr. Donaldson) mentioned people with tax liabilities who may have most of their money in the PMS, where they cannot access it. As in the case of any taxpayer in temporary financial difficulties, I would expect HMRC to be sympathetic, and it will be up to individuals to contact the tax authorities to explain their difficulties. As I say, HMRC should treat such cases sympathetically.

To conclude, there is a basis for a solution that we and the Northern Ireland Executive can take forward. I hope to be able to play my part as a member of the working group by ensuring that we bring matters to a satisfactory conclusion, and I can assure hon. Members that I want to do so with all possible urgency.

Sir Nicholas Winterton (in the Chair): I am sure that everyone in the House will be grateful to the Minister for that sensitive and factual response, and, if I may say so, for the expectation of hope that the matter can be resolved. I congratulate all the hon. Members who took part. The next debate concerns the splendid constituency of Tunbridge Wells.

Rail Services (West Kent)

11 am

Greg Clark (Tunbridge Wells) (Con): I am delighted, Sir Nicholas, that you share my love of my constituency.

I should declare an interest, in that I am a regular and frequent user of the Hastings line, between Tunbridge Wells and London, and I want to bring the attention of the House to its performance. I am grateful to Mr. Speaker for granting the debate, because it gives me the chance to ask the Minister the question that is on the lips of many travellers from my constituency: what on earth has gone wrong with the performance of Southeastern trains in recent months? A service and company that were in the past reliable and well run have in recent months undergone such a collapse in performance as to add to the stress of my constituents and subject them to daily delays and uncertainty. I want to get to the bottom of that.

My constituents have gone through three phases with Southeastern in recent months, which could be called the good, the ugly and the bad. To start positively, with the good, six months ago we were looking forward to what we hoped would be a new era for travel from Tunbridge Wells and High Brooms to London. Through the construction of a new turnback facility over the summer at Tunbridge Wells, we had the prospect of a new timetable, which would allow trains at quarter-hourly intervals throughout the day, and five new peak-time services. That came on the back of a 10 per cent. increase in rail fares the previous January, so we thought that it was overdue. Nevertheless, it would be a significant improvement in services.

It would be fair to mention that we have had some improvements to the facilities in the stations. As a result of a debate that I obtained a year ago, the Minister's predecessor kindly put pressure on Southeastern to reverse—which it did—a cut in the capacity of the trains. It had reduced the capacity from 10 carriages to eight, but thanks to that intervention it reverted to the full 10. We have had improvements to the condition of the stations—an overhaul of all the stations in my constituency—including the installation of a long overdue new passenger lift in Tunbridge Wells and a much better look and feel to the station. Even the station clock, which was out of action for many years, is now restored and in full working order.

The Minister will understand that we looked forward to the new timetable in December with a degree of hope and confidence. However, the ugly phase began. The first warning signs were when the new timetable was introduced and much of the new rolling stock turned out to be inferior. It was inner-suburban stock, which was much more crowded and less comfortable than the higher-quality rolling stock that was previously available. In a crowded journey of an hour and more for stations to the south of my constituency, that is a material change in the comfort of the journey.

The big collapse in service, however, came with the bad weather in December. Of course, everyone accepts that severe weather will have consequences for the rail network generally and the service operators in particular. However, it exposed some real failings in the management of Southeastern's response to the events, however severe. First, information was affected. When the snow hit, High Brooms and Tunbridge Wells were, from the point of view of Southeastern, cut off. The information conveyed to my constituents was completely inadequate. People turned up at the station and were told over the public address system to go home and inspect the website for information about when the next trains might be available. They went home and found no more useful information on the website than was available in the station; their journeys were wasted.

A service was continuing from Tonbridge, further up the line, and the natural response would therefore be to put on a bus service to connect Tunbridge Wells and High Brooms with it. However, that service was much delayed in starting, and was then completely inadequate. I pay tribute to the bus drivers of Arriva, the local bus company. However, despite the fact that the regular buses were able to operate, the number of buses put on by Southeastern was completely inadequate to my constituents' needs.

I remember turning the corner to approach the station, to try to come to the House at the time in question, and finding a queue snaking out of the station, over the bridge, round the corner and up a road called Mount Pleasant. A vastly greater number of people than could be accommodated were waiting to board those very infrequent buses. Surely it should have been possible to mount a response that would have provided enough capacity?

When, eventually, some trains were got moving again on the line, we had a limited skeleton service—a shuttle service—between Tunbridge Wells, High Brooms and Tonbridge. However, it went once an hour. I said earlier that we are now used to four trains an hour at peak times, and in fact throughout the day, from Tunbridge Wells and High Brooms to Tonbridge; the consequences of attempting to pack the passengers of four trains into a single train can be imagined.

The result was chaos, confusion and misery. I understand from conversations that the reason for what happened is that the Hastings line south of Tonbridge was considered to be a branch line and was not given the same priority as the line to Tonbridge. However, the Minister will know, having done his research, as I am sure he has, that there are probably just as many commuters in Tunbridge Wells as in Tonbridge, and the line should not be classified in that way. I hope that that will not happen again.

To move on from what can be seen as a very ugly phase of transport in my constituency, we at least hoped that when the weather improved services would improve with it. Instead, although we may have come through the worst, we are still in what everyone would consider a bad phase, with continuing problems. I can do no better than to quote some of the e-mails that I have received from my constituents. I have received them in recent days, during the improved weather, not at the height of the bad winter weather. A constituent wrote at the end of February to describe the effect on his wife, who commutes to London, saying that

"the delays and breakdowns continue even during 'normal' winter weather and she rarely receives any explanation...The season ticket from Tunbridge Wells is in excess of £3,000 and every year it costs more; for this she receives a poorer and poorer service and yet has more and more additional stress".

He continues:

"Sir, I see my wife come home from work in tears some nights due to frustration at the treatment she receives on this so called service. We barely enjoy our evenings together because she has to

get earlier and earlier trains in the morning when she needs to be assured to arrive for meetings on time in London because the timetable cannot be trusted."

Another constituent writes that he needs to

"take the 8.18 service from Tunbridge Wells"

adding

"This is the earliest possible train that I can take as I have to take my children to nursery in the morning which only opens at 8 am. The 8.18 train is consistently late arriving at Cannon Street; in fact by my estimation…I believe that it has arrived on time at Cannon Street…twice this year…Clearly this is a huge issue as it means that I am late for work nearly everyday."

I could mention some of the knock-on effects of the recent chaos. Another constituent wrote just this week to say that

"people have started to use Southern's"

the neighbouring franchise's—

"service from Eridge to London Bridge which costs £2,268 per annum compared to Southeastern's £3,352 from Tunbridge Wells. It's more reliable, there are more seats and it is much less stressful."

That constituent and his partner

"have considered moving to Crowborough as a result."

I might add, Sir Nicholas, that from your earlier remarks it seems that you are aware that the station at Eridge is 5 miles further from London than Tunbridge Wells. The situation is ridiculous.

Sir John Stanley (Tonbridge and Malling) (Con): I am grateful to my hon. Friend for giving way. Is he aware that my constituents in west Kent have been sending me similar communications? Is he also aware that those of my constituents who use the Maidstone East line have in addition suffered the axing, from last December, of all services to crucial London stations, particularly Cannon Street, Charing Cross and London Bridge? Is he further aware that, as a consequence, several of my constituents have been forced to move home, incurring enormous costs as a result? Does he not agree that that is a reflection of the profound stupidity and social irresponsibility of the Government entering into the integrated Kent franchise agreement, which enabled Southeastern to axe those services?

Greg Clark: My right hon. Friend is right to describe the strength of feeling of his constituents about those services. His constituents know how assiduous he is in holding those responsible to account. I am delighted that he has come to support us today.

When I asked Southeastern about the performance of the Hastings line after the recent cold weather, I was surprised to be told:

"We do not make this data public, as our obligations for performance are across mainline and metro services rather than on individual lines."

That strikes me as a worrying argument. The concern of those of my constituents who use the Hastings line is the Hastings line. It matters not that the service of the new High Speed 1 line might be performing well, as they do not use it. They are galled enough at having to pay for the service, let alone to realise that the possibility of compensation for poor performance is excluded because of an averaging out across the whole region. People use a particular service. It is almost as if someone bought a TV that broke down, but when they asked for a refund from the store they were told that one was not available because the washing machines were working. It is a ridiculous way of proceeding.

I am fortunate in my constituency in having an excellent local rail travellers group. It has investigated the performance of the Hastings line. It estimates that in the first three weeks of February at least eight trains were cancelled, 33 trains were delayed due to asset failure and 115 trains were disrupted because of absent train crews and other operational reasons. There is plenty of evidence to suggest that there is a particular problem on that line.

Many of my constituents are well aware of some of the causes. One constituent e-mailed me, saying:

"Main recurring problem (on the evening service I catch it happens at least 3 days every week) is that conductor gets stuck on a late incoming train and as a result the train which he is next supposed to be the conductor on is delayed waiting for him to come in—essentially the problem is that there is virtually no 'turnaround' time for conductors on some services; the train crew know that and tell passengers that they are trying to get Southeastern management to do something about it—so far with no joy."

The diagnosis—knowing what contributes to the problems—is well understood and should be addressed.

We have little time for this debate. I would like to say more about some of the other concerns that affect my constituents and those of my right hon. Friend. I could speak of the calamitous withdrawal of the service from Tonbridge and Tunbridge Wells to Gatwick airport. At a time when we want to take cars off the roads, reducing a direct connection from one of the counties that supplies most passengers to Gatwick seems to fly in the face of environmental and transport logic. I could talk about the great anxiety of passengers who use stations south of Tunbridge Wells about proposed changes to the route into Cannon Street. I could mention this year's 10 per cent. increase in parking charges; at a time when inflation has been negative, it seems to be a way of exacting more and more money for less and less of a service.

With your permission, Sir Nicholas, I wish to make three requests of the Minister. I am grateful for his attendance here today. I hope that he will respond to these requests towards the beginning of his speech, so that we have the chance to button them down. The first is on data. During the short period before Parliament rises, will the Minister ensure that I am given the performance data to date for the Hastings line between Tunbridge Wells, High Brooms, Tonbridge and London? Those data exist. We know that Southeastern has the data, but I believe that they should be made public so that everyone knows about that line's performance.

The second request is this. If the data show that the performance of the line has been below the threshold where discounts on season tickets are usually triggered, will the Minister consider requiring, as an exceptional measure, the relevant compensation to be paid to passengers on that line for the disruption that they have suffered, recognising that they have suffered it on that line and that other lines are not relevant?

Thirdly, I understand that there are negotiations with Network Rail for Southeastern to be compensated for some of the winter's disruption. It seems to be a matter of natural justice that some of that compensation should go to the passengers who bore the brunt of the disruption. Will the Minister assure the House that he will put pressure on those companies to ensure that my constituents are compensated from whatever Southeastern receives?

I make a final plea to the Minister. Will he summon Southeastern's senior management, and ask them to explain why my constituents, and those of my right

[Greg Clark]

hon. Friend the Member for Tonbridge and Malling (Sir John Stanley) and of colleagues to the south of our constituencies, have had to endure such appalling service from a company that we were used to thinking of as one of the better and more progressive train operating companies? I can put it no better than a constituent of mine, who sent me a copy of his letter to Southeastern. He wrote:

"We currently have to use you to get to work. Wouldn't it be nice if we wanted to use you to get to work?"

11.17 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): May I say what a pleasure it is, Sir Nicholas, to serve under your chairmanship? I congratulate the hon. Member for Tunbridge Wells (Greg Clark) on securing this debate on rail services in west Kent.

The timetable change in December 2009 was the biggest change for 50 years in Kent. Indeed, no train stayed in its existing slot. For west Kent, it included the additional five peak trains mentioned by the hon. Gentleman, one of which is the fast train from High Brooms to London. West Kent also saw the implementation of an enhanced service between Tunbridge Wells and London, which gives the hon. Gentleman's constituents four trains an hour, operating at a 15-minute frequency all day. The changes also included the extension of the Medway Valley line from Paddock Wood, which will improve connectivity and create new journey opportunities.

I am pleased to be able to draw attention to these facts, because some people were not convinced that the new integrated Kent franchise would give passengers any benefit. Clearly, that is not the case, and the hon. Gentleman's constituents are some of those who are benefiting from those changes.

Southeastern has also invested in automatic ticket gates at Tunbridge Wells. That has improved access and security at the station, and ensures that everyone who travels pays their fair share. I cannot say that I am immediately aware of the rolling stock changes referred to by the hon. Gentleman, but I shall investigate and write to him about those concerns.

I realise that since December, performance has deteriorated to below the standard that Southeastern customers now expect. The two main reasons behind that are unreliable infrastructure and adverse weather. However, before I say more on the performance problems since last December, it is important to put Southeastern performance in context.

The Southeastern franchise is committed to run more than 20,000 more trains a year on time by the end of the franchise. Indeed, since the start of the franchise, performance has improved. Immediately before the start of the December timetable, 4.2 per cent. more trains arrived at their destination within five minutes of the advertised time, having called at all stations en route. That is more than 10 per cent. better than in the days of the Connex franchise, which indicates that some progress is being made.

It may appear unusual to start a debate on the performance of rail services in Kent by talking about the history of such services. I am not saying that there have not been problems with performance, but the evidence does not suggest that they are systemic. What is clear is that since December, performance has fallen below the standards that are expected from Southeastern. None the less, actions are in hand to recover the situation.

The lines in west Kent are electrified by the third rail system. It has been established that the third rail system struggles to cope with heavy snowfall and prolonged periods of sub-zero temperatures. During the recent bad weather—the most extreme for some 30 years—we had both and, as a result, performance suffered, but west Kent was not unusual in that regard. The lines in west Kent were particularly badly affected as the weight of the snowfall was, at times, very localised. The geographical lay-out is very challenging for the rail industry, as it is built in deep cuttings and the line has some very steep gradients. That meant that on many occasions during the adverse weather problems it was not possible to deliver a train service.

I heard what the hon. Gentleman said about the accuracy of customer information during times of disruption, and I can advise him that there is a rail industry review of customer information, focusing, in particular, on the consistency of the service during the winter period. It will look at ways in which customers can have better and more consistent information available to them through all the channels—whether that be the individual giving advice on the station platform, the web channels or the information displays on the platforms.

As the hon. Gentleman will no doubt remember, rail services in Kent suffered from adverse weather in February 2009. Following that, Southeastern advised my Department that it was reviewing its response and that it was going to work with Network Rail to see what improvements could be delivered.

One improvement was to implement the key route strategy, which explains some of the shuttle services that the hon. Gentleman described. Network Rail gives priority to the most important routes and every effort is made to keep those routes open. Southeastern also aims to operate services in such a way that as many people as possible, given the prevalent weather conditions, are able to travel. More people were actually moved during the last period of adverse weather in 2010 than in February 2009, despite the fact that the weather was worse. Although lessons were learned following the weather in February 2009, the challenges this time round were more severe.

As I have said, the geography of much of the railway in west Kent meant that it was not always possible to offer a service, and when services did run they were often heavily delayed. However, Southeastern has advised me that, together with Network Rail, it is now considering what improvements can be delivered to ensure that more services run during adverse weather.

Greg Clark: Before the House rises for Easter, will the Minister agree to give me the figures for the performance of the Hastings line during that period of underperformance?

Chris Mole: I have to look at what data are available from Southeastern that can be put into the public domain.

Greg Clark *rose—*

Chris Mole: I was going to come to the general question of monitoring performance by train operating companies and the way in which we consider the aggregate performance, but the hon. Gentleman wants to intervene again.

Greg Clark: The Minister obviously does not necessarily know the answer to this, but I can assure him that the data exist. Given that that is the case, will he require the figures to be given to me?

Chris Mole: Although I am aware that the data exist and that I might be able to have sight of them, I am not sure whether the train operating company is prepared to put such information in the public domain. Let me take away the matter for consideration.

Greg Clark *rose—*

Chris Mole: Let me try to address the generic point at this time.

Greg Clark: Will the Minister give way?

Chris Mole: No, not at this point. I am quite sympathetic to the hon. Gentleman's objectives, but let me draw his attention to the fact that the hon. Member for Chipping Barnet (Mrs. Villiers) frequently tells the Government not to interfere and micro-manage train operating company regulation so much. I therefore fear that his Front-Bench colleagues would take a different view from me, but I am sympathetic to his objectives.

Greg Clark: I am grateful for the Minister's sympathy, and I hope that he will translate it into action. Can he think of any reason why members of the public should not be given the right to see the data on the performance of their train line that we all accept exist?

Chris Mole: I do not know whether there are commercial sensitivities around the data, but I will try to action my sympathies into something concrete for the hon. Gentleman to look at.

As I was saying, Network Rail, Southeastern and South West Trains are considering how to improve the robustness of the third rail electrification system during adverse weather conditions. That could include solutions such as third rail heating. On both reviews, it is too early to know what noticeable improvements will be delivered, but we anticipate significant improvements in robustness. The industry is tackling the challenge head on and seeking to ensure that the services that are offered to rail users in the hon. Gentleman's constituency are improved.

The railways are complex, and affordable solutions will come about only following proper consideration. Our performance monitoring shows that in the autumn, traditionally a time of poor performance, there was a step change in improvement in the delays caused by leaves on the line. This year, delays were 18,000 minutes less than in the corresponding period last year. That should give us some confidence that the rail industry can and will deliver improvements in performance during periods of adverse weather.

It is regrettable that since December, the infrastructure has not been performing as reliably as it had been. Southeastern has advised me that it has reviewed the causes with Network Rail, as one would expect following a period of poor performance. A series of unanticipated infrastructure failures has surprised all the partners, but through a series of action plans, each particular mode of failure is being addressed.

The infrastructure lay-out poses a number of challenges to delivering high levels of performance. First, the trains from west Kent travel via London Bridge. As demand for rail services to and from Kent has grown, the number of trains that travel through this area is much greater than was ever envisaged when the lay-out was designed in the 1970s. It is expected that the £5.5 billion Thameslink programme will improve the lay-out in the London area and provide solutions for many of these issues.

Secondly, the Tonbridge to Hastings line has four single line sections, which means that delays escalate much quicker than on sections of line where there are two or more tracks, and that can spread across the whole network. When the line was electrified in 1986, work was carried out to a lower specification as an economy measure, which has led to several operational constraints and complexities. Although there may be technological solutions to some of those issues, the business case is not readily identified.

There is no evidence to support the argument that performance has deteriorated solely because of the implementation of the new timetable. As I said earlier, the main causes have been poor weather conditions and unreliable infrastructure. However, since December, 200 more trains are operating on the network. Although that is welcome in normal operating conditions, it can mean that when incidents occur on the network, delays spread quicker than before.

The rail industry has to ensure that incidents that cause delay are kept to an absolute minimum. Over the years, it has established robust procedures to manage the delivery of performance. I am confident that such structures will ensure that the high levels of performance planned for this franchise will be delivered. From Monday 7 March to Friday 19 March, the provisional public performance measure for Southeastern was 91.6 per cent. I appreciate that that is for the franchise as a whole and not for the particular route with which the hon. Gentleman is concerned. None the less, I suggest that such a measure provides signs that performance is recovering.

Greg Clark: Does the Minister have the figures for the Hastings line for that period?

Chris Mole: Not today, no, but we have discussed that already.

In conclusion, although I regret the performance that passengers in west Kent have experienced over the winter months, problems have been identified and solutions developed. I believe that we can look forward to performance improvements being delivered from now until the end of the franchise.

11.29 am

Sitting suspended.

Zimbabwe

[MRS. JANET DEAN *in the Chair*]

2.30 pm

Hugh Bayley (City of York) (Lab): Today's debate gives us an opportunity to discuss the Africa all-party group's latest report, "Land in Zimbabwe: Past Mistakes, Future Prospects". I begin by declaring an interest: the Royal African Society seconds a member of its staff, Alex O'Donoghue, to work three days a week for the all-party group, and I sponsor her parliamentary pass.

I thank colleagues from all parties and from both Houses of Parliament who have contributed to the report. I also thank Alex O'Donoghue for her work in collecting the evidence and setting up our oral evidence sessions. Finally, I thank the Secretary of State for International Development for considering our report and its conclusions, and for responding, on behalf of his Department and the Foreign Office, to those conclusions.

Our all-party group chose to investigate this subject because it is a pivotal and emotive issue in Zimbabwe. The violence from farm invasions has destroyed the livelihoods of 200,000 farm workers and halved the commercial agricultural output of Zimbabwe. Zimbabwe's current land reform policy is a barrier to both the county's economic recovery and its longer-term development.

We also decided to address this subject because of our concern that UK policy is misunderstood in Africa. Many Africans, particularly those from southern Africa, believe that the UK promised to fund land reform in Zimbabwe as part of the deal made 30 years ago at the Lancaster house talks, which brought to an end the illegal unilateral declaration of independence by the white settler regime in Zimbabwe. Furthermore, many in Africa believe that we oppose farm invasions in Zimbabwe principally because it is white farmers whose land is being expropriated, and many believe that we support the European Union's restrictive measures—often referred to as sanctions—because we have political differences with the President of Zimbabwe.

I do not believe that any of those views are right or true. For example, the EU's restrictive measures ban arm sales to Zimbabwe because of the human rights violations that the armed forces in that country have committed against civilians. Those measures also freeze the assets of 203 individual members of ZANU-PF, which until recently was the sole ruling party in Zimbabwe, and of 40 parastatal companies. Those assets abroad have been frozen because of the real fear that Government or state property from Zimbabwe was being taken out of the country and used for personal benefit, rather than for the benefit of Zimbabwe's people.

I must say, however, that sometimes the comments made by Members of this House about land invasions in Zimbabwe reinforce the belief that our concern is based principally on kith and kin. I do not believe that that is the case. Addressing that concern was one of the reasons why the all-party group decided to write our report.

Sir Nicholas Winterton (Macclesfield) (Con): The hon. Gentleman has quite rightly outlined the facts and gave the statistics about land invasions, saying that something like 220,000 farm workers have been robbed of their jobs, their accommodation and a good quality of life. Does that statistic indicate that those of us who have stood up and opposed the farm invasions are seeking merely to support our kith and kin? We are concerned about Zimbabweans and the prosperity and future of their country. Is that not the position of the overwhelming majority of Members of this House who have taken an interest in Zimbabwe and land reform there?

Hugh Bayley: I believe that that is the case and I am glad to hear the hon. Gentleman, who has been vocal on this issue for as long as I have been a Member of Parliament, stating that as clearly and as forcefully as he just has.

The all-party group wanted to do two things in our report: to set the record straight and to look forwards, not backwards—to try to develop ideas about the types of policies that would provide the basis for a new and better relationship between our country and Zimbabwe. The report set out three broad objectives: first, to establish what was actually agreed at Lancaster house; secondly, to document what development assistance has been provided by the UK to Zimbabwe, for land reform specifically and more generally; and thirdly, to examine what future land reform policies would re-establish a productive agriculture sector in Zimbabwe, which would support rural livelihoods and offer job opportunities once again for the many farm workers who have lost their jobs through the farm invasions.

We sought and obtained evidence from the widest possible range of people. They included representatives of the UK Government, and we are grateful to the Secretary of State for International Development for providing a detailed draft of written evidence. Through the Zimbabwean ambassador in London, we received evidence from ZANU-PF. We also received evidence from various participants at the Lancaster house talks, including members of the ZANU and ZAPU teams who were legal advisers to their respective party presidents, Robert Mugabe and Joshua Nkomo. Furthermore, we received evidence from Lord Carrington, who gave oral evidence in a very sharp way. He remembered a huge amount of detail and it was important to capture that detail to understand what actually happened in those discussions at Lancaster house. In addition, we sought and obtained evidence from academics, both in the UK and Zimbabwe; from Chester Crocker, the US Assistant Secretary of State who had special responsibility for Africa at the time of the Lancaster house talks, and from others.

In all the evidence that we obtained, we found no evidence that Britain had betrayed promises on land reform made at Lancaster house. In fact, the most interesting evidence of all came from ZANU-PF. The Zimbabwean embassy in London did not claim that there was a secret deal that the UK would provide funds to pay for land reform. It is true that both Robert Mugabe and Joshua Nkomo sought commitments on land reform at Lancaster house—land reform was a very important issue for those who had been involved in the liberation struggle—but the UK had to broker a deal between Ian Smith and his regime's military on the one hand and the liberation movements on the other hand, and there was no agreement on land.

At one stage in the talks, Robert Mugabe and Joshua Nkomo threatened to walk out of Lancaster house, but

a great deal of pressure was put on them by the Presidents of the front-line states, particularly Zambia and Mozambique, which were used by the Zimbabwean liberation movement fighters for their training camps and supply lines. Pressure from those neighbouring countries was put on the Zimbabwean liberation movements to agree a deal so that the war might end. The leaders of those movements were urged to compromise, and they did.

There is nothing in the Lancaster house agreement promising to pay for land reform, and nothing in our conversations with the principal western Ministers involved at the time—Lord Carrington and Chester Crocker—suggested that there was any secret deal to do so. Nevertheless, Britain made aid available for land reform on a "willing seller, willing buyer" basis, and by 1986, 71,000 families had been resettled on land formerly owned by commercial farmers. *The Economist* described it at the time as

"one of the most successful aid schemes in Africa".

However, by 1985, the scheme had slowed down, and in the 1990s it stopped altogether.

In 1997, Robert Mugabe was losing support within his party, ZANU-PF, and came under pressure from war veterans for pensions. He capitulated to those demands, seeking support from a constituency within his party, but his capitulation did not end the demands. The veterans came back with more demands, including demands for land, and in 2000 Robert Mugabe instituted a fast-track land reform process. From that time onwards, Zimbabwe's relationship with the UK, the European Union and the United States deteriorated.

As a result of fast-track land reform, Zimbabwe's agricultural output has fallen by 60 per cent. and the economy more generally has gone into freefall, with mounting inflation. I came back from Zimbabwe recently with a note for either 50 million or 50 billion Zimbabwean dollars—I cannot remember which. I should have looked at it again this weekend. At the end of the inflation spiral, prices were doubling every 24 hours.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I should declare an interest, as my nephew is a Zimbabwean who has been evicted from farmland.

The hon. Gentleman mentioned the change in process that led to the collapse in productive capacity. One of the biggest underlying problems is that, because the process does not give legal title to the new owners and the transfer has no proper legal underpinning, the new owners have no means of investing in the farms. We therefore need to bring back legal stability and a proper legal process to land ownership in countries such as Zimbabwe, to enable investment for the future so that productive capacity can be restored.

Hugh Bayley: The only thing with which I disagree is the use of "we". It is not for us but for the Government of Zimbabwe to bring that back. However, I know the hon. Gentleman well, and I am sure that that was a slip of the tongue.

One matter that we examined in some detail in our report was Zimbabwe's dual land ownership law. Roughly 70 per cent. of land was originally commercially farmed, with a system of title, which brought with it the sort of benefit that the hon. Gentleman describes. Owners can use the equity in the land title to borrow for the purchase of inputs such as seeds and fertilisers and to pay for irrigation; when good legal title is lost, such benefits disappear. However, on the remaining 30 per cent. of the land—the so-called communal lands used largely by African farmers—an individual farmer does not have legal title and is therefore unable to gain the credit necessary to raise farm productivity. I would like a system of title to be established for land across Zimbabwe as a whole, but that of course is a matter for the Zimbabweans, not us.

Mr. William Cash (Stone) (Con): I was an official observer in the Rhodesian elections back in 1982 and I remember meeting members of the then Government. Among the matters that came up that the hon. Gentleman has not yet mentioned was the question whether the money that came from land, if compensation were payable under reform, could be taken out of the country. Of course, a different regime altogether applied to mines. Did he discuss with Lord Carrington article 5 of the constitution—if I recall it correctly; it was a long time ago? That was a hot issue at the time. It locked people in and it has in many ways been a contributory factor in the conflict, violence and hatred that Robert Mugabe has tended to generate.

Hugh Bayley: We did not discuss with Lord Carrington the situation after the Lancaster house talks, other than in the most general terms. However, one pillar on which the agreement rested was the principle that the political arrangements—the constitution as agreed at Lancaster House—would remain in force for either 10 or 20 years. Somebody will correct me—[Hon. Members: "Ten years."] Yes, of course, because it was 10 years later that the constitution was changed to create a different political arrangement. One plank of the Lancaster house agreement was that until or unless the constitution was changed, land title would change only on the basis that a willing seller sold to a willing buyer. In fairness to Robert Mugabe, after a bloody war against an illegal settler regime, he honoured that agreement to the letter. The problems arose later.

Mr. Cash: "Willing seller, willing buyer" is one thing, but the fact that the seller could not repatriate the money to the United Kingdom or wherever else they wanted to send it created a lot of pressure on the practicalities of the reform system. As I recall, in the mining sector, Lonrho negotiated a deal enabling it to take mining money out of the country. The whole thing was a complete mess, which is what generated a lot of the pressure.

Hugh Bayley: We did not consider capital flows in detail in the report, but that is an important issue. Perhaps if the hon. Gentleman catches your eye, Mrs. Dean, he will be able to expand on it. It is crucial to the future as well as the past.

On finance and money, although the Lancaster house agreement did not require the UK to set up a land reform fund, the UK put up money for that purpose. The UK has always been one of the biggest aid donors to Zimbabwe: since 1998, it has been among the top three countries in the world giving aid to Zimbabwe, and for five of those 11 years, we have been the largest single bilateral donor to Zimbabwe. Since 2000, when political relations between the UK and Zimbabwe became

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strained, far from penalising Zimbabwe for farm invasions, the UK has recognised the country's growing humanitarian needs and has increased aid from $20 million in 2000 to $89 million in 2008, according to independent figures from the OECD's development assistance committee. I totted up the figures last night: since independence, the UK has provided Zimbabwe with $1.128 billion in aid—a considerable sum.

In the early years, $50 million was set aside for land reform, which paid for the resettlement of 71,000 smallholders. That was the scheme described by *The Economist* as particularly successful. In fact, not quite all the $50 million was used; $2 million or so was not. The only reason why the scheme did not continue is that the rule of law broke down and land was redistributed not to the rural landless poor, but to rich and powerful members of the ruling elite. I regard it as perfectly proper that British aid is used to provide livelihoods for poor African peasant farmers, but it should not be used to provide large capital assets to members of a country's elite.

Mr. Gregory Campbell (East Londonderry) (DUP): The hon. Gentleman is coming on to something that afflicts Zimbabwe and much of Africa: corruption. Does the all-party group's report examine in detail the part played by corruption, particularly in the past five or six years?

Hugh Bayley: This report does not, but I remind the hon. Gentleman that the group's last report entitled "The Other Side of the Coin" was on exactly that issue. It focused on corruption in Africa, and in particular on the corrupt relationships between people in this country and in Africa. The hon. Member for Stone (Mr. Cash) has taken a close interest in the matter and brought a Bill before the House. Similarly, I brought forward an International Bribery and Corruption Bill 12 years ago. We are both happy that the Government have brought forward the Bribery Bill, which is before the House and will hopefully be on the statute book before the election.

Sir Nicholas Winterton: The hon. Gentleman is right. I had the honour of chairing the Bribery Public Bill Committee, and the Committee stage was completed this week. I also hope that the Bill makes rapid progress, as it has all-party support in the House.

Hugh Bayley: With the hon. Gentleman's support, I am damned sure that the Bill will go through. I believe it will make a real difference.

In 2001, the law on bribery in the UK was changed to make explicit for the first time the fact that transnational bribes made by British citizens or companies were contrary to law. That meant that the UK complied with the requirements of the OECD convention on bribery. However, it was not an effective law in terms of bringing cases before the courts. A few cases have been brought recently by the Serious Fraud Office, with convictions being secured through the courts or civil penalties being paid by companies in breach of the law. If the Bribery Bill becomes law, it will significantly strengthen the powers of the Government and help to prevent bad apples from the UK fuelling corruption abroad.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I am interested to find out what the situation in Zimbabwe is today and what the hon. Gentleman thinks about it. Does he agree with the provisions in the global political agreement that say that there should be a thorough land audit of the current situation in Zimbabwe, or does he think that that would enshrine the current situation? Does he think that those provisions would help in the production of a proper land title system that would allow farmers to borrow against the resulting collateral?

Hugh Bayley: I should make progress or I will be delivering my speech in bits. I agree strongly with the provisions. I am glad that the Government have been instrumental in persuading the World Bank to set up a multi-donor trust fund to pay for such an audit to be carried out. That will be an important basis on which to build a viable land policy for Zimbabwe. I am grateful to the hon. Gentleman for mentioning the matter.

The International Development Committee, whose Chair, the right hon. Member for Gordon (Malcolm Bruce), is here, has just completed an inquiry into Zimbabwe that is due to be published on Friday. Because of the rules of parliamentary privilege, I cannot reveal what it says, but I can refer to evidence submitted to the Committee; that is in the public domain. The Department for International Development evidence said that in 2009-10, British aid to Zimbabwe will, for the first time, exceed $100 million.

I know that British aid is making a real difference, not only from reading DFID papers, but because I visited Zimbabwe a few weeks ago as a member of the International Development Committee. The aid is being used to distribute seeds and fertiliser to 375,000 smallholder households in Zimbabwe, to compensate those who have lost land and create new livelihoods for them. A great deal of British money goes towards fighting HIV/AIDS, for example through the distribution of tens of millions of male and female condoms. The UK is leading the multi-donor expanded support programme on HIV/AIDS, which is making antiretroviral drugs available to 58,000 people in Zimbabwe who would otherwise suffer from AIDS and die.

The UK is helping the World Food Programme to deliver food aid to 1.6 million people. We are supporting UNICEF to reduce the impact of cholera; in 2008, about 1,500 people died in a cholera epidemic. British money is being used to improve access to clean water and sanitation for 2 million people in Zimbabwe. We have a commitment to provide textbooks to 5,300 primary schools in Zimbabwe. We are providing technical assistance to the office of the Prime Minister and the office of the Finance Minister. British money is being well spent and is channelled largely through multilateral agencies to ensure that it is not misused through corrupt practices within the Zimbabwe Government.

Malcolm Bruce (Gordon) (LD): I am grateful to the hon. Gentleman for alluding to the work of the International Development Committee. Our report will come out on Friday. Does he agree that we learned from our visit to Zimbabwe that there is a huge capacity for recovery if only all parties come together, and that, contrary to what one might think from the propaganda, the UK Government are playing a pivotal role in co-ordinating aid and development and facilitating further investment in Zimbabwe, should the political process allow it?

Hugh Bayley: I agree absolutely. I must tread cautiously so that I do not reveal what is in the report. However, I feel able to repeat what I said before we received evidence: I think that the global political agreement opens a new opportunity for the UK to advance the cause of development in Zimbabwe and build better relationships with the Zimbabwe Government. I believe that now is the time to engage, not to hold back.

Sir Nicholas Winterton: The hon. Gentleman has not yet mentioned the number of farms that Mr. Mugabe has handed over to members of the army, members of his family, members of ZANU-PF and individuals and companies involved with ZANU-PF. Will he highlight the problem that the country is not able to produce the food that its people need and is therefore reliant on overseas aid and food from other countries, even though it could be and has been the bread basket of central Africa?

Hugh Bayley: This is the central tragedy: a country that used not only to be self-sufficient, but to export food to Zambia, Malawi and other countries in the region now has a food deficit that cannot be made good through commercial trade. In years past, Zimbabwe had a larger commercial sector in its economy than most countries in central and southern Africa. The gap has to be filled by donors from abroad through food aid.

It is to the credit of the UK that we have never flinched from that task, despite our very strong differences with the Government of Zimbabwe. If it is a question of whether people live or starve, the only thing a rich country such as ours can do is provide the food. If we are not welcome in person in the country, we need to find an agency such as the World Food Programme to deliver the aid on our behalf. We have done that, and it is the right thing to do.

When the Committee was in Zimbabwe a couple of weeks ago, we met the Prime Minister, Morgan Tsvangirai. He urged the UK to think about what he called humanitarian aid-plus. He did not suggest that circumstances are yet appropriate for large-scale aid to be channelled through the Government, but he did say that we ought to be looking at longer-term development, not just immediate humanitarian relief. To a considerable extent, that is what DFID is doing. It is looking at the issues of sewerage and water supplies and the provision of a basic formulary of drugs, rather than just responding to the health problems caused by food shortages. I would like us to do everything we can to move the aid relationship between this country and Zimbabwe on from one of humanitarian relief to one that builds economic and political capacity within the country.

The inclusive Government who grew out of the global political agreement incorporate members of the Movement for Democratic Change as well as of ZANU-PF, the long-term ruling party, but that Government are clearly fragile and under pressure. There have been some real achievements—most notably, of course, the stabilisation of the economy and the Finance Minister's decision to dollarise the economy. That led to two immediate advantages: first, it stopped inflation in its tracks, and secondly it stopped the Zimbabwean central bank from printing money to give to the party in power or senior people in the ruling regime; that was what had destroyed the value of the Zimbabwean dollar. The inclusive Government are rebuilding the capacity of the civil service to deliver basic services to the people, but they have a long way to go.

The Minister of State, Department for International Development (Mr. Gareth Thomas): My hon. Friend referred to the stabilisation of the economy. Would he at this point join me in noting the serious incident that took place yesterday? Last night, the Finance Minister, Tendai Biti, was involved in a serious car crash on a road just outside Harare. We understand that he is currently under observation in hospital, that his condition is stable and that he is expected to make a full recovery. Will my hon. Friend take this opportunity to join me and I am sure other hon. Members in wishing him well for a speedy recovery, given how important he has been in helping to stabilise Zimbabwe's economy?

Hugh Bayley: Yes, I will. I know that every hon. Member in this Chamber would also wish to join the Minister in sending those greetings. I hope that it is not just a rhetorical flourish; I hope that our ambassador in Harare will convey the greetings of this House and send our best wishes to Tendai Biti. He is an absolutely pivotal figure and is extremely bright. He is, of course, the architect of the finance reforms that stopped the runaway inflation, and he will play a vital—pivotal—part in Zimbabwe's economic recovery. His good health and speedy return to office is extremely important not only to the politics of Zimbabwe, but to the people of Zimbabwe. I worry when I hear about car crashes in Zimbabwe, because the Prime Minister there lost his wife in a car crash. Although we know that the roads are much more dangerous in Africa, that incident shows how fragile the inclusive Government are.

I shall briefly refer to the four recommendations in the report and say a word or two about the global political agreement. We came to four principal conclusions. First, when we in the UK consider land reform, we must recognise that it is a highly charged political issue. At the time of independence, the settler farmers made up 1 per cent. of the population, but they owned 70 per cent. of the land. Most of the farmers in the 1980s had bought their land from earlier generations of white settlers, but the land title that the first settlers obtained at the end of the 19th and beginning of the 20th century was disputable to say the least.

When the Committee was in Zimbabwe, I talked to a white archivist who had just retired from the civil service. He was a fourth generation Rhodesian, as he called himself, and his family were farmers. He said that when his family arrived at the turn of the 19th century and staked out their claim to land, they told the local people that they had a choice: work for them or get off the land. One has to understand why there is an African sense of grievance. That is not to say that the process of land invasions is a wise, sensible or justifiable response to that grievance, but to ignore the fact that there is a very real grievance is to put off finding a solution to the problem.

Our second recommendation was that the UK needs to combat more actively the "promises betrayed" myth in Africa and that we need to assert that we are one of Africa's best development partners. Over the past decade, the United Kingdom has doubled—possibly even trebled—

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our aid to Africa. We have done more than that in Zimbabwe; we have increased it fivefold. We must continue to support Zimbabwe's development, both politically and economically.

Thirdly, we made comments about the dual land tenure system. I was pleased to note in the Government's response that they share our view that real land title needs to be provided to all Zimbabweans who are farming. However, the Government point out rightly that the Zimbabwean people and their Parliament must make that decision—it is not a decision that we can make here.

Fourthly, we recommend that the UK should re-engage on the issue of land reform—including on making a financial commitment to land reform—once the quality of governance is such that we are assured that the money spent will go to provide land to the landless poor, not to elite groups. We make the point that the UK cannot do that alone, partly because of a poisoned post-colonial relationship and partly because it is a responsibility for the wider donor community. That matter ought to be dealt with on a multilateral basis and is possibly something that could flow from the "Domesday Book" work on defining land title, which is being carried out—funded—by the World Bank's multi-donor trust fund.

Finally, I want briefly to read some extracts from the global political agreement, which was made between ZANU-PF, the largest party in Government since independence, and the major Opposition parties—the two factions of the MDC. Article V of the global political agreement recognises

"that colonial racist, land ownership patterns, established during the colonial conquest of Zimbabwe…were not only unsustainable, but against the national interest, equity and justice"

and accepts the desirability of comprehensive land reform in Zimbabwe.

The agreement states that there was a difference of opinion between the MDC and ZANU-PF. It says:

"While differing on the methodology of acquisition and redistribution…under a land reform programme under taken since 2000",

the parties accept

"the irreversibility of the said land acquisitions and redistribution."

The parties agree on a number of other issues, but I want to set out just four of the points that they agreed. First, they agreed to

"conduct a comprehensive, transparent and non-partisan land audit".

As I said, that is under way and it is being funded by donors, including this country. Secondly, they agreed to

"work together to secure international support and finance for the land reform programme".

When the political conditions allow, I would want our Government to support that and to take a lead in constructing a multi-donor fund. Thirdly, they agreed to

"work together for the restoration of full productivity on all agricultural land".

DFID is already working on that, and I mentioned the seed and fertiliser distribution programmes.

However, the parties to the global political agreement, which included the MDC, also

"call upon the United Kingdom government to accept the primary responsibility to pay compensation for land acquired from former land owners for resettlement",

and I do not accept that. That statement was made in a political agreement between Zimbabweans. It is not for the UK to compensate those whose land was taken by force; the responsibility to pay compensation must lie with those who forcibly took the land. After all, it is 45 years since Britain ruled what is now Zimbabwe, in which time we have seen 15 years of an illegal settler regime, which was in revolt against the British Crown, followed by 30 years of independence. It is those who have broken the law in Zimbabwe in recent years who have a responsibility.

The all-party group and I strongly make the case that the UK should be a generous aid donor and, in particular, that it should set up a fund to help pay for land reform. However, we should do that because we are good development partners, not because of an historical debt, particularly when actions have taken place decades after the colonial period. We should work with the Government of Zimbabwe not just to distribute seeds and fertiliser, but to put together a range of policies on land title and other matters to help Zimbabwe recover the agricultural productivity that it once had and to become the bread basket of Africa once again.

Several hon. Members *rose—*

Mrs. Janet Dean (in the Chair): Order. I advise Members that I intend to begin calling the Front-Bench spokesmen at 3.30 pm.

3.12 pm

Kate Hoey (Vauxhall) (Lab): I congratulate my hon. Friend the Member for City of York (Hugh Bayley) on his debate. Today, I have spoken to members of Tendai Biti's family, both here and in Zimbabwe, and he is recovering. He has met many of the Members here, including the members of the all-party group on Zimbabwe, and he will be very grateful and pleased that we are sending him our best wishes.

Land is an emotive issue in Zimbabwe; having travelled hundreds of miles through Zimbabwe over the past 10 years, and coming as I do from a farming background, I feel pretty emotional about it myself. My emotion arises, first, from seeing thousands and thousands of acres of good agricultural land revert to scrubland. It also arises from seeing thousands and thousands of skilled agricultural workers consigned to enforced idleness, joblessness and the prospect of having no future. It is outrageous that that should be happening in a world short of food and on a continent where hunger is never far away.

What makes me very angry indeed, however, is the thought that my constituents just down the road in Lambeth, Vauxhall and Brixton are paying their taxes so that food can be shipped halfway around the world to feed people in a country that, until very recently, exported food. Indeed, it could still be exporting food but for the disastrous actions of Mugabe and his ruling clique, which has sacrificed the prosperity and well-being of an entire nation to their greed for power and plunder.

It is really important to set the discussion of land in Zimbabwe in that context, because there is a tendency

among many people and many of the relief agencies to tiptoe around the real issues. Some people still often blame the food shortages on bad harvests and bad weather, when the truth is that the chaotic fast-track land reform process has resulted in whole swathes of land being taken out of production. Earlier this month, the Red Cross announced that more than 2 million Zimbabweans are urgently in need of food assistance, before going on to blame the shortages on drought in some areas and excessive rain in others.

That statement shows a real drought of honesty over the real reasons why Zimbabweans are hungry. While ZANU Ministers and the people at the top of the armed forces sit in the farm houses that they have grabbed, the land lies uncultivated and unproductive, and those who should be working it are displaced and destitute. That is shocking and scandalous. Whatever the weasel words from Mugabe and his apologists about righting the supposed wrongs of colonialism, the people of Zimbabwe are now far worse off than they were in the 1980s.

It would be helpful if the Minister could assure us that DFID and the Foreign and Commonwealth Office will do all they can to make sure that NGOs delivering programmes funded by British taxpayers become in no way complicit in promoting the politicised misrepresentation of facts favoured by ZANU-PF. I realise that it is sometimes difficult and that organisations do not want to jeopardise their operations in the country by becoming overtly political, but if we are providing their funding, it is important they should not, for the sake of a quiet life, play along with sometimes distorted versions of events that denigrate the UK and gloss over the appalling record of Mugabe's Government.

Recently, the general secretary of the General Agricultural and Plantation Workers Union of Zimbabwe, Gertrude Hambira, came to speak to the all-party group on Zimbabwe about a report and a film produced by the union, which show the human rights violations suffered by farm workers as a result of the land reform process. She was in hiding until very recently because armed men forced their way into her home to abduct her. Only last month, the Central Intelligence Organisation—Zimbabwe's secret police, who are still operating in Zimbabwe despite the global political agreement—raided the union's offices looking for Gertrude, and she had to flee to South Africa for safety. Such things are still happening day in, day out to trade union leaders who tell the truth about land reform in Zimbabwe and who try to defend the rights of workers.

Sir Nicholas Winterton: The hon. Lady mentions an important trade union leader who has fled to South Africa, but what about the hundreds of thousands—nay, millions—of Zimbabwe citizens, including those who have been driven off the land by the so-called war veterans, who were not even born when the war took place, who are causing unrest and social disorder in parts of South Africa, among other countries?

Kate Hoey: Of course. It is refreshing to see President Zuma engage much more with the issue. Indeed, shortly after he left this country—I am sure that his visit had something to do with this—he was literally followed by Zimbabweans wherever he went, and he has recently been in Zimbabwe. South Africa is suffering, too, because of the overspill from what is happening in Zimbabwe.

For 20 years, as we know, Mugabe was not interested in land reform, which was not a priority. When he did move it to the top of his agenda, it was not because he suddenly wanted to right an historical wrong; his real aim was to cripple the trade union movement because of the looming political threat. The Zimbabwe Congress of Trade Unions broke its alliance with ZANU-PF, and Morgan Tsvangirai, who was then the ZCTU general secretary, went on to found the MDC. Farm workers were an obvious target for retribution because they made up the largest sector of unionised labour. What is even worse—this is often overlooked—is that there is a nasty whiff of xenophobia about taking things out on farm workers, many of whom are descended from Malawian migrants. That is a whole new issue, which needs to be looked at.

Some Members participating in the debate will have seen the moving film "Mugabe and the White African", which was released recently. The all-party group had a screening of the film, which members of the International Development Committee saw before their visit to Zimbabwe. The film follows the proceedings of the Southern African Development Community tribunal, leading up to its ruling in 2008 that the seizure of commercial farms was illegal. The tribunal decided that the amendment to the Zimbabwe constitution allowing the Government to seize white-owned farms without compensation violated international law.

It is particularly significant that the ruling should have been made by a tribunal set up by the SADC, the regional grouping of African nations. Needless to say, Mugabe promptly announced that he did not recognise the authority of the tribunal, even though his own Government had ratified the protocol establishing it. In February in South Africa the North Gauteng High Court ruled that the SADC decision could be enforced in South Africa and that certain assets of the Government of Zimbabwe could be seized, to provide compensation to dispossessed farmers.

The UK provides substantial support across the SADC region and DFID has helped with the strengthening of SADC institutions. It is futile to provide support for those much vaunted regional bodies if they can be disregarded as soon as they become inconvenient. Perhaps the Minister can tell us what discussions he has had with Governments in the region about making sure that ZANU-PF Ministers honour their international obligations, particularly those made to the country's SADC partners. That has a bearing on the cavalier way in which Mugabe still treats the global political agreement. He signed up to the agreement and was really only allowed to stay on in government because of it. The pressure came from South Africa. Yet SADC has seemed pretty impotent when it comes to exercising the guarantee that it gave to the MDC when it signed up—reluctantly, but in the interest of the country—that ZANU-PF would not be able to wriggle out of its obligations to observe the spirit and letter of the agreement.

If only Mugabe would reread what he said 30 years ago, in January 1980, when he arrived back from exile in Mozambique:

"We will not seize land from anyone who has a use for it. Farmers who are able to be productive and prove useful to society will find us co-operative."

He has actually seized farms from black farmers and white farmers who bought their land legally long after

[Kate Hoey]

colonialism finished. We must not allow the colonial issue to override everything, because, as my hon. Friend the Member for City of York said, it is a long time since this country was directly running Zimbabwe in any way.

Land is the key; it should be productive and should be used to grow crops to feed the people and to export. It should be used to provide employment and to generate the wealth needed to pay for local schools and community hospitals. Now at long last there are encouraging signs that Zimbabwe might be moving towards proper democracy. As those signs materialise into reality, I hope that we can enter into productive partnerships with forward-looking MDC Ministers in the Government of Zimbabwe, such as Elton Mangoma. There are really good people around, who know what needs to be done to get Zimbabwe moving.

I hope that the Minister will tell us more about DFID plans to encourage investment in enterprises related to agriculture. What can be done that will help to re-establish enterprises that will generate employment and foreign earnings? One of the realities is that many of the methods of modern agribusiness are not labour-intensive. There is a need to find ways in which value can be added to agricultural produce before it leaves Zimbabwe. That will not only boost employment: it will boost Zimbabwe's export earnings. It will help land to become again what it was for so long: the mainstay of the Zimbabwean economy and the foundation of vibrant local communities. None of that can happen until Zimbabwe has genuinely free and fair elections, a new Government and a new President, elected on the basis of support for the rule of law and real democracy. That is what the House should work towards.

3.23 pm

Mr. Richard Benyon (Newbury) (Con): It is always a pleasure to hear the hon. Member for Vauxhall (Kate Hoey) speak about Zimbabwe. Her courage on the issue is known to many of us in the all-party group on Zimbabwe. The anger that she feels at what has happened to that wonderful country burns in her rhetoric, and it is a privilege to follow her.

This is a poignant moment for me to speak on the issue, because I have today been given information about two constituents, Adele and Bruce Moffatt, who escaped after what happened to them on their farm and came to live with their children in my constituency. They went back to Zimbabwe and in the past day or so have had a really horrendous experience. They were subjected to continuous beating for more than 90 minutes and were marched into the bush, where they were certain they were going to be murdered. They managed to talk their way out of it and escape. They are still trying to find out what has happened to others close to them, and it is a worrying time for many families in this country, and of course in Zimbabwe.

I pay tribute to the all-party group on Africa for the report. It was a very good piece of work. I played a very small part in it, because I attended one hearing, when Lord Carrington gave evidence. If I have half the marbles that he has at his age I shall be a very happy old man. He is a remarkable person and his recall of what must at times have been very confusing negotiations at Lancaster house was remarkable.

I have seen land reform from close to in Zimbabwe. I visited a farm where all the tractors were covered in signs saying "A gift from the people of the European Economic Community". The farm, near Karoi, was configured like an east European collective, and its productivity was plunging compared with some of the commercial farms, owned by all races, round about, which were very well farmed. I worried when I saw how aid from the EEC, as it was then, was being used. I have also visited farms that were invaded by so-called war veterans. To be a war veteran someone must be more or less my age, in their late 40s, but there were people there considerably younger than that. It was not possible that they fought in the war, unless they were soldiers while they were toddlers.

The most important point that I want to make in the few minutes left to me is to respond to recommendations 2 and 4 in the report. What worries me and, I know, other Members of both Houses who meet from time to time, concerns what I should call the next generation of African leaders. Many are very impressive people, and many have been involved in business. They are involved in politics in an entirely laudable way and they present themselves as a new hope for a continent that has suffered too long from poor governance. However, in many cases, it is apparent that they still have a hang-up about Lancaster house, saying that there was a betrayal there and that we are in part to blame for what happened in Zimbabwe.

The report has done much to debunk some of the wrong perceptions about that. It is now up to some of the very clever people we meet in high commissions and the Foreign Office and other organisations to get out there to show those people that we stuck to our word; the problem started in Zimbabwe and can be solved in Zimbabwe. Until we do that an apologia will hang over the debate on land reform in the whole region. We desperately need the Minister to say that our high commissions will be charged with the job of selling that point, to lay to rest a perception that has been allowed to continue for too long.

Recommendation 4 is an excellent one—along with the rest of the report. The British Government, whatever form they take in the coming years, need to re-engage with governance issues in Zimbabwe, not in a colonial sense but in a supportive sense. Anything of that nature that one says at the moment is misconstrued in the Government-friendly Zimbabwe press, and we have to be careful about the language we use. All of us in this House have to do that. The problem is Zimbabwe's. We must stand by as friends of the people of Zimbabwe to support them at the right time.

As for the taxpayers in our constituencies, and the giving of aid, I barely hold a surgery now at which a Zimbabwean does not come to see me. It might be about a visa issue, or a welfare issue. Too often it is about poverty, because people are living in straitened circumstances in this country. Many of them are intelligent, good people who want to go back to Zimbabwe and take it to its recovery. We can get a massive bang for our buck in aid, because not only can we re-energise that potentially fantastically productive country, but—if we want to be thoroughly selfish about it—we can save our Exchequer the burden of supporting so many people who have escaped the regime. In pure cash terms, for

regeneration, we can contribute sums of money that will have an enormous, over-arching effect, in the good that they can do.

We need to look forward in this debate. I noticed that Denis Norman, who was the Farm Minister, suggested a process of some form of land nationalisation. Perhaps there should be some form of sale and lease-back—some form of leasing arrangement. The Commercial Farmers Union is suggesting a truth and reconciliation committee. Those are all good suggestions and I hope that they get a good hearing, but ultimately they are nothing to do with us. It is a question of a solution for Zimbabwe that we can support.

On page 31 of the report, there is a map showing just how fertile the country is and how what was once the bread basket of Africa has become a basket case. However, it can revert to being that again—if I had the same rainfall over the same soil on my farm I would be a very happy farmer indeed. We must find every way we can to support the economy.

We have covered the question of tenure, and I have run out of time. I will finish by saying that we must take a mature approach to the future, recognising that for some people certain perceptions will remain realities, whatever efforts are made. If we tackle the wrongly-held beliefs in an open and clear way and assist civil society and the stabilising forces in Zimbabwe as they re-establish themselves in the years to come, we can make a huge difference to the future of that country. We must support the agriculture and food production infrastructure, if our aid funds allow, and work hard to make Governments in the region aware that unless they stabilise Zimbabwe they risk destabilising further the whole region.

3.31 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): I congratulate the hon. Member for City of York (Hugh Bayley) on securing the debate and he and his colleagues in the all-party group on Africa on their excellent report, the recommendations of which seem extremely sensible. I will show them to my parents-in-law, because they were both born in Bulawayo and came to this country rather depressed after the unilateral declaration of independence. They have relatives who have been farmers. Indeed, my wife's uncle was a farmer in Zimbabwe until he eventually decided to give up the ghost and go and farm in South Africa. Before he did so he had a crocodile farm, because he found that that helped the war veterans decide not to come and take the land.

I have learnt some of the background to the situation from my wife's uncle and, in particular, from my father-in-law, who stood in the elections against Ian Smith. My father-in-law was part of the Liberal white party here and selected his constituency in that election because he worked out that, if he were elected, the party would win the election and defeat Ian Smith. He was depressed by the political situation at the time because he predicted the war and how bad things would get. He could not bear to watch that happen to his beloved country and so decided, having been rejected by the white population, to find work elsewhere. He ended up as the head of the Law Commission in this country. While he was a lawyer in Zimbabwe he defended some of the black tribes against seizures of their land by whites, so as a lawyer he was very much involved in that in the 1960s and has some interesting tales to tell.

Many of those tales relate to one of the report's main points, which is that we must get over the narrative from history that so bedevils the debate even among black politicians, who in many other respects are extremely progressive and have an encouraging outlook, as the hon. Member for Newbury (Mr. Benyon) said, and that is quite correct. My father-in-law explained to me that if one looks back far enough in the history of land ownership and land disputes in Zimbabwe one will see that there were disputes between the Shona and the Matabele. That is not to say that Britain's record is good in that regard, because it is not at all, and he is critical of some of the things white settlers did, but his major point is that if we keep going back to history we will get nowhere.

We must take the view that it is the job of all the people of Zimbabwe to look after the land and ensure that they can grow the food that they all need. As other Members have said, if the people can work together there is no reason why Zimbabwe should not be able to feed its own population and children and even export food. That point is well made in the all-party group's report.

The question is how land reform happens. Other Members have rightly said that that is ultimately a matter for the Zimbabweans. The fate of the unity Government, particularly the involvement of the MDC, is unfortunately still in question, and everyone is right to try to support them as much as possible. The news about Tendai Biti is shocking, and like others we send him our best wishes. The most frustrating thing is that the policies that could be pursued would be in everyone's interests and could turn things around relatively quickly. The report recommends, for example, that communal land ownership must have title and that sorting out the title of the land that has been seized would mean that people could borrow for the seeds, tools and implements they need. There are ways forward if there is the good governance that is so critical to such policies.

I am sure that our Government will play their part, although I think that recommendation 4 of the report is well put, stressing the need for British support to be on an increasingly multilateral basis so that we can get over some of the historical baggage that is so bizarre and unhelpful.

One matter that is not covered in the report, and which I would be interested to learn more about after the debate, is the role of China in Zimbabwe, particularly with regard to land. One reads reports of Chinese state corporations buying up land, which is adding a new and complicating factor. I am certainly not an expert on that, but I wonder how it is being factored into the recommendations and thoughts, not least because there is a danger that the deals that one hears are being made between some of those corporations and, no doubt, members of the ZANU-PF elite could create even more problems in due course.

I do not pretend to have expert knowledge, save for what I have heard from my father-in-law, but I think that Britain has much to contribute in the situation. We can help by dispelling the myths. I believe that the politicians in Zimbabwe need to know that we have a lot of cross-party support on the matter in the House. There is a great deal of unity, but above all there is much good will towards the people of Zimbabwe.

[Mr. Edward Davey]

My final point, which was also made by the hon. Member for Newbury, and which backs up the point on good will, is about assisting Zimbabweans in this country. In many respects, that would be the quickest way of showing that good will and giving support, and it would mean that we would not necessarily have to get involved in the difficult and sensitive politics of Zimbabwe immediately.

Like the hon. Gentleman, I have many Zimbabweans, both black and white, who come to my surgery seeking support with visas and Home Office problems. It pains me to see some of them who are in an extremely difficult position, either because they are still waiting for their asylum case to be heard or because their case has failed, although, rightly, they are not being sent back. The fact that they are not allowed to work and are given no support in training seems to me to be one of the biggest missed opportunities in development. I urge the Minister, as I have urged the Foreign Secretary and Ministers in the Foreign and Commonwealth Office, to talk again to the Home Office on that, because there must be a way around it. We have an opportunity to instil the skills, expertise, work experience and contacts in a whole generation of Zimbabweans who could then help to rebuild their country.

There is a broader point on the asylum seekers and refugees who come to our shores and whom we do not treat properly. We do not give them the opportunity to return to their countries with added value and extra skills. I think that there is a case for some kind of temporary development visa that tells those people that they can stay, get work and get trained because we want to put in their hands and minds the skills that would allow them to go back and rebuild their countries. Would not that be Britain showing leadership in development? Would that not be one of the easiest ways to show that development money is better spent on the people who will ultimately deliver better futures for countries such as Zimbabwe?

3.39 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I pay tribute to the hon. Member for City of York (Hugh Bayley) for obtaining this debate. It is very timely, coming in the wake of the excellent report from his all-party Africa group and in the light of the fact that the International Development Committee is about to publish its report.

I agree with my hon. Friend the Member for Newbury (Mr. Benyon). Many of our constituents have an instinctive empathy with the plight of the people of Zimbabwe. Like him, I have had tragic cases of people who fled from Zimbabwe, having lost close relatives in brutal circumstances. They have been well looked after by others in my constituency, and there are strong support groups in this country that are giving a great deal of help to the people of Zimbabwe.

I shall start where the hon. Member for Vauxhall (Kate Hoey) ended. We and the British Government need to do everything we can to make the global political agreement work and to ensure that there is a finite date for the next election, because the only sustainable way forward is for Zimbabwe to move from a transitional Government to a Government who are properly elected through free and fair elections, if that were ever possible.

In the short run, However, IHS Global Insight shares the International Monetary Fund's concerns over the sustainability of Zimbabwe's recovery. It says that for that country, which is starting from an extremely low base, rising output in the agricultural and mining sectors is the quickest way to growth. It is clear that this debate on land is extremely important, and that how land reform moves forward is also important.

An aspect of the conditions in Zimbabwe that has not been raised in this debate, although the hon. Member for Kingston and Surbiton (Mr. Davey) got very close to it just now, is that an estimated 3 million to 4 million people have fled Zimbabwe and are refugees and asylum seekers, many of them—probably 2 million to 3 million—in South Africa. That leaves an estimated residual population in Zimbabwe of about 8 million, of which about 6 million were in need of food aid in 2008. According to the World Food Programme, perhaps 2.7 million are still in need of food and subsistence aid. The situation in Zimbabwe is dire.

My hon. Friend the Member for Newbury is a great expert on farming, and I farm as well. There is no doubt about it: Zimbabwe used to be the bread basket of Africa. Not only could it feed its own people, but it was one of the major food exporters to the whole of the rest of Africa. It is sad that the land reforms instituted by President Mugabe from 2000 onwards have resulted in a situation in which an estimated 4,000 farmers have been displaced from their land, and, just as important, as my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) said, almost 300,000 agricultural workers have been displaced from the farms where they worked—many were brutally killed—and their skills have disappeared. As my hon. Friend knows, what is important is not only the ownership of a farm, but the skills of the people who work on it and produce the crops.

The global political agreement that provides the mechanism for a land audit is a good way forward. Once we have established who owns the farms—whether they are the right people to own them is a different question—it will be possible develop some form of land registration system, and then people will be able to borrow against the collateral of the land and reinvest in some of the infrastructure that has been so run down. That is why farms are lying idle: infrastructure for grain storage, irrigation and so on has in many cases gone to rack and ruin because it has not been maintained properly.

There is a need not only for capital infrastructure for the farms, but for working capital to buy machinery to harvest and plant crops and for the sort of assistance that the Department for International Development is giving by supplying farmers with seeds to plant and fertilisers. Production can be cranked up, but many things needed for that are desperately lacking.

Mr. Cash: I am sorry, Mrs. Dean, that I had to nip out for a European Scrutiny Committee sitting.

Does my hon. Friend agree that the action of the South African court in giving a right to seize Zimbabwean Government property in South Africa in pursuit of compensation claims by white farmers is a tremendous

step forward in establishing their rights? What does he think about the attitude of the President of South Africa in that context? We have the sense that the South African Government are reluctant to take the right action against Mugabe.

Mr. Clifton-Brown: As he so often does, my hon. Friend reads my mind: I was coming on to that point. We need to make the global political agreement work. We need to make the judgments of the panel enforceable under the judicial system of Zimbabwe. My hon. Friend is a great constitutional lawyer, so he will know that unless one can obtain enforcement of a judgment, there is not much point—I will not say that there is not much point in getting the judgment, but the judgment itself is not the critical thing. Enforcement is critical, and that is why Zimbabwe needs a proper judicial system.

My hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) stated in a report on his recent visit to Zimbabwe:

"A land audit that establishes exactly who is in possession of what, as a first step towards a conclusive settlement on this most sensitive of issues, is crucial yet shows no sign of getting off the ground. Nor has Mugabe released all political prisoners, or honoured his commitments to open up the media space. And all the while Zanu PF thugs and militia lurk in the background."

There is real fear in the back of Zimbabwean people's mind that the law and order situation is still highly unpredictable and unsatisfactory. That is why the country needs a general election and a properly, constitutionally and democratically elected Government.

As a farmer, I would like to probe some of DFID's policies—that is the information that I hope the Minister will be able to provide today. The hon. Member for City of York said two important things. First, he said that, having examined the matter in forensic detail, he does not think that this country has any further obligations under the Lancaster house agreement, and that, furthermore, the situation is entirely the fault of the ruling political party, which brought about contraventions of the law of that country through the land reforms conducted since 2000. Secondly—on the opposite end of the scale—he said that this country has contributed almost $1 billion to Zimbabwe since independence. That is an important point that we need to keep stressing to the world. Far from abandoning Zimbabwe, we have been a huge supporter and a huge help to that country through its difficult times.

I want to probe the Minister about the almost £100 million-worth of aid that we will give Zimbabwe this year. A great deal of it—I have the programmes written down here—will go to shore up Government infrastructure. How effective does he think direct aid to the Zimbabwean Government has been? Is it bringing about a real improvement in the structure of government? Would we do better by channelling more of the aid through non-governmental organisations, which are able to reach the kind of areas that the Zimbabwean Government, let alone the British Government, are not able to reach?

Only two programmes are to do with food assistance and farming reform, and I wonder whether more cannot be done to encourage the kind of things that I have been outlining—planting crops but doing it better—at least on community and community co-operative lands. The Minister will talk about the conservation farming system, and that is great, but we need to go beyond that and teach farmers how to plant crops properly and how to grow them, and how to get farms recapitalised so that food production starts to increase. Marketing pathways need to be re-established so that farmers can get their food to market and, above all, people must have the wherewithal to be able to buy it. Although the economic situation in Zimbabwe is improving, most people in most situations are still unable to pay for ordinary food. They simply do not have the ability to pay for the food that is now in the shops. I would like to hear from the Minister how he envisages the situation developing, how effective our aid to Zimbabwe is, whether we are right to give aid directly to the Zimbabwean Government and how he envisages the global political agreement panning out.

Does the Minister think that we are able to put any pressure on President Zuma of South Africa? As the hon. Member for Kingston and Surbiton and others have said, President Zuma was pressurised hard during his recent visit. Were there any diplomatic signs that that pressure on the South African President had an effect? He is able to bring more pressure to bear on Zimbabwe than anybody else in the world.

What the Minister and everybody else will be able to glean from this debate is that the British people care deeply about what happens in Zimbabwe. We want to see an alleviation of the situation in which the former bread basket of Africa is not able even to feed itself and more than 2 million people are today dependent on food aid.

3.50 pm

The Minister of State, Department for International Development (Mr. Gareth Thomas): I join others in congratulating my hon. Friend the Member for City of York (Hugh Bayley) on securing today's debate. As chair of the all-party group on Africa and through his membership of the International Development Committee, he has demonstrated a long-standing interest in development in general and in the future of Zimbabwe in particular. The insightful report on land in Zimbabwe by the all-party group is a powerful testament to his interest.

I also acknowledge the many other thoughtful contributions made by Members on both sides of the House, including interventions by the hon. Members for Stone (Mr. Cash), for Macclesfield (Sir Nicholas Winterton) and for East Londonderry (Mr. Campbell), the right hon. Member for Gordon (Malcolm Bruce), who chairs the International Development Committee, and the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith). I shall come in due course to the substantive speeches made by my hon. Friend the Member for City of York, my hon. Friend the Member for Vauxhall (Kate Hoey) and the hon. Member for Newbury (Mr. Benyon), along with the Opposition spokespeople's comments.

A number of Members have referred to the reputation that Zimbabwe's land has earned that country as the bread basket of southern Africa, and how rebuilding the productive capability of Zimbabwe's land for commercial and smallholder farmers is critical to the country's future. My hon. Friend the Member for Vauxhall and the hon. Member for Newbury in particular drew our attention to the continuing violence in Zimbabwe.

[Mr. Gareth Thomas]

My hon. Friend highlighted the case of Gertrude Hambira, secretary-general of the General Agricultural and Plantation Workers Union of Zimbabwe, who had to go into hiding following harassment and intimidation. My hon. Friend is absolutely right to continue to highlight the harassment and arrests of human rights defenders and political activists, and the way in which farm invasions have continued and, in some respects, escalated. We continue to urge all sides of the Government to fully observe the spirit as well as the letter of the global political agreement. The hon. Member for Newbury mentioned two of his constituents, Adele and Bruce Moffatt. The experience that they have just endured is another powerful illustration of the problems that continue to scar Zimbabwe, not only in the experiences of those who work on and own farms, but in the human rights situation in the country more generally.

Some of today's speakers are members of the International Development Committee. When the Select Committee recently visited Zimbabwe, it was able to witness some of the Department's work, and I look forward to receiving that Committee's report shortly.

As others have said, today's discussion about land reform has to be set in the context of the challenging political situation in Zimbabwe. I believe that the inclusive Government remain the best opportunity for achieving the economic and political reform that Zimbabwe so desperately needs. The establishment of an inclusive Government has led to progress: for example, the stabilisation of the economy has meant that goods are available in shops, inflation has been tamed and there is now a reasonable basis for discussion with institutions such as the International Monetary Fund. Huge improvements are still necessary, but there has been progress.

The humanitarian situation has also improved. My hon. Friend the Member for Vauxhall in particular, will remember that, at this time last year, more than 100,000 people had been affected by the worst cholera outbreak in Zimbabwe's history and 7 million people were receiving aid. This year, fewer than 250 people have been affected by cholera and about 2 million are likely to need food aid.

Mr. Cash: Are the Government ensuring that the aid we give goes to sanitation measures?

Mr. Thomas: We are giving support for sanitation measures. The hon. Gentleman gives me the opportunity to point out, in response to one of the questions asked by the hon. Member for Cotswold (Mr. Clifton-Brown), that almost all our aid goes through the United Nations or international NGOs. A very small proportion is spent as technical assistance to Ministries that are committed to reform. Our aid goes through organisations in the UN or through INGOs with whom we have long-standing working arrangements, and there is an extensive programme of audits and evaluations of the aid's effectiveness.

That leads me to highlight the continuing challenge of delivering basic health and education services, which Members who have visited Zimbabwe and those who follow events there closely will recognise. I welcome the efforts by President Zuma and his team to address the blockages that impede implementation of the global political agreement. We have consistently called, and I do so again today, on all sides of the Government of Zimbabwe to push forward reform and do all they can to meet the needs of their people. We had a useful discussion with President Zuma when he came to London. He joined the Prime Minister in calling on the inclusive Government of Zimbabwe to complete as soon as possible the implementation of the global political agreement. Both countries called for an immediate end to harassment, the repeal of repressive legislation and the establishment of the principles of free speech and free association. They also made it clear that the inclusive Government have to put in place the conditions for free and fair elections.

Many Members know that President Zuma recently visited Harare. I understand that the visit resulted in real progress and agreement in principle on a range of the outstanding issues that impede progress in Zimbabwe. President Zuma said that the package agreed during his visit would take the process forward substantially. Given the sensitivity of the discussions, he has obviously not disclosed the details of the agreements that were reached, but we are hopeful that the details will become public. The Zimbabwe negotiating teams from all three political parties and the three South African facilitators will meet from 26 to 29 March to discuss the issues further and develop implementation plans. They intend to report back to President Zuma by 31 March.

Mr. Clifton-Brown: Is the Minister able to enlighten us on any discussions that the Government have had with President Zuma about how he, or the Southern African Development Community, as the guarantor of the global political agreement, will take the agenda forward? It is all very well reporting and reporting, but how will it be taken forward?

Mr. Thomas: As I have said, one the key ways for SADC and South Africa to take forward the process is to meet with the players in the inclusive Government. President Zuma's recent visit to Harare is an important sign of his commitment to take forward the global political agreement and to try to broker further progress. We welcome the President's visit, and the fact that his negotiating teams are following up on it.

As the all-party group reports, donors have to approach the complex issue of land reform with great sensitivity. I welcome the fact that the report clearly states that the UK did not make promises at Lancaster house that were subsequently betrayed—

Mrs. Janet Dean (in the Chair): Order. We must now move on to the next debate.

Manchester Bus Travel

4 pm

Graham Stringer (Manchester, Blackley) (Lab): The Manchester cross-city bus scheme illustrates some general points about bus travel in urban areas, and it is obviously specific to Manchester. Its purpose is to improve public transport between East Didsbury, Manchester city centre, Middleton and Salford, and it runs through much of the inner city. My hon. Friend the Member for Manchester, Central (Tony Lloyd) would also like to make a few points about the impact on his constituents.

The scheme consists of bus priority measures, such as excluding cars from part of the route, road widening, increasing capacity at different junctions and adjusting traffic light sequencing electronically—not between red, amber and green, but when they go on and off and what priority they give to buses. Everyone would agree with the scheme's objectives, which are to improve bus services, to integrate public transport, to improve reliability, to decrease journey times, to provide environmental benefits and to reduce accidents. Unfortunately, when examining the scheme in detail, it becomes clear that it is most unlikely that those objectives will be achieved.

The majority of my points are about the Manchester scheme—why it is fundamentally flawed, and why it will disadvantage my constituents—but general conclusions may be drawn about the difficulty of improving public transport, particularly bus transport, in urban areas where the bus system is deregulated and a free-for-all.

Experience of bus priority measures on radial routes shows that, although there may be an increase in the number of buses travelling along major radial routes and an increase in the number of passengers on those routes, the bus companies—First Group has almost a monopoly in north Manchester and Stagecoach has almost a monopoly in south Manchester—achieve that and increase their profitability by withdrawing services from other parts of the network and putting them on those radial routes. There are improvements on radial routes at peak times, but a worse service elsewhere. If the integrated transport authority wants to replace the withdrawn services as part of the network, there is a direct raid on the public purse. That applies anywhere, but it applies particularly in Manchester.

The first objective is improved bus services, and services on those routes are quite good, although they could be better throughout the city. It is difficult to improve them by much, but there is likely to be a worsening of services in the network as a whole. We must remember that, although authority is available in the Local Transport Act 2008 to start quality contracts and to take control of fares, service levels and networks, the proposals are based on partnership, so there will be no control of fares, networks and schedules. Bus companies will be able to do what they do so well and have a business model that directly targets the public purse, rather than producing the best bus services for passengers.

I shall illustrate what is happening in Greater Manchester, and why we need quality contracts and not the cross-city scheme. People in Broughton and Kersal in Salford use the 95 and 93 routes. One is subsidised and the other is provided by First Group as part of the deregulated system. They are unreliable, and greater public subsidy has been put into one of those routes, but passengers have a poor service. What those passengers require is a service to Hope hospital, but there is no direct connection because First Group does not find it profitable to run that service. People also need services to new centres of employment, such as the new BBC site in Salford Quays, but there is no direct route. That is a case for having a planned and regulated network, and I hope that it illustrates, in particular and in general, why we are unlikely to see an overall improvement in public transport.

The second objective is better transport integration, but that simply cannot be guaranteed in a deregulated system because the bus companies will put on and take off services, so that they make the most profit and receive more subsidy from the integrated transport authority.

The third objective is reliability. The 95 and 93 routes are unreliable not because of congestion—in the early evening when there is little congestion the buses often do not turn up—but because First Group is unreliable. I asked the Department for Transport a parliamentary question about the causes of unreliability generally in the bus system. At least one third of them were due to poor maintenance and buses simply not turning up. It had nothing to do with congestion. That objective is unlikely to be achieved.

There may be an improvement in journey times, particularly for journeys across the city, if the scheme goes ahead. But for the vast majority of my constituents who go into the city centre, the improvement in journey time would be limited.

I simply cannot understand what environmental benefits there would be for my constituents. There would be more buses, so more particulate matter—PM10s and PM2.5s—and more congestion. There would probably be an increase in rat-running and noise pollution, so my constituents would suffer twofold or threefold. It is also claimed that there would be a reduction in accidents. There is a comparator on the Cheetham Hill road and Bury Old road, where a bus priority scheme has been put in place. When travelling from Manchester city centre, a big sign before the bus priority section shows how many accidents there have been in the previous 12 months. The evidence is that the scheme, which is hazardous for pedestrians, is not good for car users or shopkeepers and has not helped to reduce accidents—quite the reverse.

On economic benefits, it is vital to the economy to increase capacity, so that more people will go into Manchester city centre to enjoy the benefits of a thriving economy. In the analysis that we have seen, there is no assessment of whether the scheme would mean more people getting into the city centre, or fewer.

A consultation process on the scheme started in October and continued until December. I asked for it to be extended, and the integrated transport authority and the passenger transport executive were good enough to extend their acceptance of submissions for another four weeks. However, they did nothing extra to improve communication with my constituents who were involved, and I found that the consultation was deeply flawed and very poor.

Tony Lloyd (Manchester, Central) (Lab): Will my hon. Friend remind the House that as part of that "wide public consultation", the group of people who missed out were Members of Parliament?

Graham Stringer: My hon. Friend makes an objective comment and I agree with him. Such a major scheme should have had not only consultation but pre-consultation and discussion. That did not happen. There was an exhibition in the sixth-form college where I have my offices, but it attracted only 50 people. Within my constituency, and just outside it, probably between 15,000 and 20,000 people are affected by the scheme, so there is a suspicion of bias. Two hundred people have written to me supporting the extension of the consultation and asking for traffic impact assessments. That has not been done. The engineers have looked and said, "There is sufficient capacity on the major routes and those routes near them, so it is all right." That provides an incentive for rat running, rather than looking at the impact of the scheme on my constituents.

One of the surprising things was the number of people who wrote to me—perhaps it is not that surprising. Some mentioned the potential impact of rat running, which has to be envisaged and does not happen at the present time. However, people who live on the main road, Rochdale road, are more strongly opposed to the scheme because their businesses and ability to access their homes will be badly affected. The final nail in the coffin of the suggestion that the consultation was effective and successful is that almost nobody to whom I spoke or who wrote to me, including some well-informed residents groups such as the Trinity group, or the Collyhurst village group, knew about the scheme until I talked to them. The consultation has been defective, to say the least.

I want to ask my right hon. Friend the Minister a number of questions. Some of my points refer to the integrated transport scheme. I know that the Government supported the Local Transport Act 2008, and they have put money into helping integrated transport authorities move towards quality contracts. Can the Minister do anything else to help the Greater Manchester integrated transport authority move towards a quality contract that would deal with some of the problems in a way that the cross-city bus scheme does not? Has he got a breakdown of Exchequer expenditure and local expenditure and how it would be used in the scheme? Will he tell us whether the bus service operator grant could be transferred to the integrated transport authority? Although integrated transport authorities have little control over buses, if the bus service operator grant were transferred to them it would give them a real handle on how to deal with those bus companies that exploit my constituents. Does he agree that Greater Manchester is not making the progress that it should towards an integrated transport authority because it is led by a Liberal Democrat and supported by Conservatives? Both west Yorkshire and south Yorkshire are making more progress.

My final point is that there is clearly no benefit for my constituents. They will get the pollution, the rat running and the noise, but very little improvement in the time it takes to get into the city centre. All the benefits, if there are any, will go elsewhere and people are likely to get a worse bus service. Some of the junctions on roads where people live will have increased capacity. The junction of Moston lane and Rochdale road is dangerous at the moment, and together with local councillors, I fought hard to get improved pedestrian crossings on that road. If the junction capacity is increased, it will become more dangerous. I look forward to the Minister's reply to the general and detailed points about this scheme.

4.15 pm

Tony Lloyd (Manchester, Central) (Lab): Let me begin by congratulating my hon. Friend the Member for Manchester, Blackley (Graham Stringer) on securing this timely debate. When I reminded him that the integrated transport authority had not bothered to consult Members of Parliament in its wider consultation, that was not a matter of vindictiveness on my part. Together with some of my local councillors, I will go to see the chair of that body on Friday, so the debate is timely in that sense and it is helpful to concentrate people's minds on the exchange that will take place later this week.

I share my hon. Friend's unease. We all agree that in Manchester in particular, and for bus transport in general, the idea of a modal shift and getting people out of their cars and on to buses is right and proper. Improving the quality of the bus travelling experience is important as part of that process, and where possible, part of that means taking buses out of congested zones and helping them to move more quickly. That makes a lot of sense.

In Manchester, the concept of the bus corridor attempts to tick a box. For virtually all my life and that of my hon. Friend, Manchester has been a city with its north and south broken apart. Integrating transport systems to give proper through transit is a good idea, and I concede that that concept has merit. However, the specifics of this scheme are difficult in two ways. First, it is not certain that it will make the difference that we are told it is intended to make. Secondly, if the scheme makes a difference, under the law of unintended consequences, improving the lot of some will have a potentially serious and deleterious impact on the lives of others. Those who will experience the downside of the scheme are more likely to live in my constituency and that of my hon. Friend, because our constituencies are at the centre of the conurbation. Of course, if we see the affluent suburbs of Greater Manchester shifted into bus transportation that will be a good thing, but not if the cost is borne by our inner-city constituents.

My hon. Friend concentrated his remarks on the north of the city, but I want to mention the route through the Wilmslow Road and Oxford Road corridor that comes in from the south of the city. It is probably one of the most bussed routes in this country; there might be parts of London that can out-bus it, but there is nothing in the north of England. It is the student corridor, and a huge number of buses go up and down that route.

The present proposal is for everything to be de facto pedestrianised, except the public transport systems. The Oxford Road corridor goes through the university area of the city, which is a heavily congested part of the road system in the morning, so the concept makes a degree of sense. The problem is what happens to the traffic that is displaced from that corridor. The planners told me that in their view, traffic will simply disappear long before it hits the central part of the city, and people will find other ways into the city leading to a reduction in car transport. However, the models are frankly bizarre and perverse. I was shown what was described as the industry model. I do not say this boastfully, but many years ago I used to be a statistician so I probably know a little about mathematical modelling. I know that the old concept in life, "Garbage in, garbage out," applies to mathematical and road transport models just as it applies

to everything else. If we do not provide the proper parameters on the way in, we do not get the results coming out.

One bizarre thing that the model showed me was how traffic coming in from the south of the city in the morning—this will mean something to local people; I do not expect my right hon. Friend the Minister to follow it in detail—would turn right past Manchester Royal infirmary and then turn right again as it passed the infirmary, which would take it back out south of the city. No one going into the city in the morning chooses to joyride and hit the congestion zone simply to go out of the city again at that point, or at least if they do, they are crazy, and there cannot be too many people in Greater Manchester who are crazy enough to want to do that. Therefore the model, of itself, did not fill me with confidence that the modellers knew what they were doing.

I am concerned that there will be a displacement factor and that the displacement will move the traffic that currently uses the Wilmslow Road and Oxford Road corridor on to, in particular, the Lloyd Street corridor in Moss Side. That road has a number of secondary and primary schools. It is a residential part of the city. When the planners said to me that they wanted a reduction in the accident rate because some students are injured in accidents on the Oxford Road corridor, which is a serious point, I said that we do not advantage things if we reduce accident rates for students and simply move the problem on to younger people and young children on a road a little way away as we move the traffic past those schools.

The point that I want to establish for the Minister is that the modelling has not been convincing. When I challenged those putting the case, they were not convincing in their response. That is the first point. The second point is that in a system such as the one that we are discussing, there may be a benefit, but we must ensure that there are not disbenefits that are sufficiently large or sufficiently concentrated to outweigh it, at least for those local communities.

There is another part of my constituency where there will be other traffic flows. I am referring to Upper Brook street and the fact that there is already the disadvantage that some of my constituents are cut off from the university area. I want to see that situation made better, not worse.

My final point is that significant public moneys will be put into the scheme. We need to know that it has been robustly tested so that the costs are acceptable to those who will bear them, that the benefits are real and that the cost-benefit in total is worth having, but that case has not yet been made.

4.22 pm

The Minister of State, Department for Transport (Mr. Sadiq Khan): It is a pleasure to speak under your chairmanship, Mrs. Dean; I think that this is the first time that I have done so. I place on the record my thanks to my hon. Friend the Member for Manchester, Blackley (Graham Stringer) for securing this debate on cross-city bus travel. I am grateful for his contribution and for that of my hon. Friend the Member for Manchester, Central (Tony Lloyd). They managed to articulate, in a short time, their passion for ensuring that we get good value for taxpayers' money and reminded me and the Government as a whole of some of the unintended consequences of good intentions that can arise when people try to improve public transport and the knock-on problems that that can cause to other parts of the public transport family.

Let me say at the outset that I will be considering shortly whether to grant initial funding approval for the cross-city bus corridor and I have been persuaded to take into account the points raised by both my hon. Friends this afternoon before I decide what I shall do with the scheme. As I said, it will come before me shortly. I will not go through the 15 pages of my speech, which I had envisaged doing. What I will do is write to both my hon. Friends with specific points that I cannot address during my speech. I want to deal with the specific points that they raised.

My hon. Friends will be aware that the Greater Manchester passenger transport executive is the promoter of the scheme, but the ITA is the governing body to which the PTE reports. I have no brief to defend them or to speak on their behalf, but I am sure that it will be appreciated that it is far better that decisions on public transport are taken locally rather than by me, sitting in Whitehall and not appreciating what happens locally.

Over the last period, we have spent record amounts on public transport, including buses. This year, we are spending £2.9 billion, and more journeys are being made on our buses this year than at any time since deregulation in the mid-1980s. Some 4.5 billion journeys are made a year, and millions of journeys are made in Manchester. However, my hon. Friends reminded me that if we are to encourage more people to use buses, simply putting more buses on the road is not enough. We need to ensure that bus passengers have punctual and reliable services on clean and efficient vehicles. PTEs have a huge role in ensuring that that is the case.

Greater Manchester PTE has been working in partnership with Manchester, Rochdale and Salford councils to identify how to improve local transport connections. Their proposals include introducing highway, bus priority and congestion management measures, together with significant improvements for pedestrians and cyclists. The scheme that we are discussing forms part of the package to be funded through the Greater Manchester transport fund, which relates to a proposed investment programme of £1.5 billion for prioritised transport schemes designed to deliver the maximum economic benefit to Greater Manchester. That is why I am so pleased that my hon. Friends have reminded me, on the day when my right hon. Friend the Chancellor of the Exchequer gave an outstanding Budget statement, of the importance of securing value for money for every single penny that is spent.

The PTE expects the cross-city bus package scheme to enhance the existing Greater Manchester quality bus corridor network and to help to address the unique problems of the Oxford Road corridor, which has the highest demand for bus travel in Greater Manchester but the poorest results in terms of performance, which causes me huge concern.

My hon. Friends have demonstrated that they know the area much better than I do. I have been told that the Oxford Road corridor is the location of Manchester Royal infirmary and the higher education precinct, which comprises the sites of two universities. It is also a

[Mr. Sadiq Khan]

significant economic centre and includes about 4 per cent. of the city's business stock. The PTE has predicted that the employment potential of Oxford road will increase from 36,000 jobs in 2008 to more than 55,000 by 2020. The proposed scheme is designed to enhance public transport links between areas of deprivation to the north and west of Manchester.

I am aware—my hon. Friends raised these points very well—of the concerns that they have about the public consultation on the proposed measures, which I understand took place last October, November and December. I understand that there will be a further opportunity to provide feedback as part of the traffic regulation order process, which the local highway authorities are promoting on the PTE's behalf. In addition, I have been reminded that my hon. Friend the Member for Manchester, Central will meet representatives of the ITA this Friday to discuss, in particular, his concerns about displacement of traffic on to residential routes in Moss Side. I have taken on board the points that my hon. Friends raised on consultation.

It is worth reminding my hon. Friends of what my role is. Since receipt of the business case, the Department has been working closely with the PTE, but we are not yet in a position to approve the proposed scheme for entry to the programme of local major transport schemes. We had concerns about some of the issues relating to the application given to us, which we have worked through with the scheme's promoters. Our assessment of the bid for the scheme has focused on the traffic appraisal, which has highlighted a number of issues on which the PTE and its consultants have had to undertake further work. I hope that that is another reassurance that we, too, spotted some problems with the scheme and we have asked for further work to be undertaken. We have now received the results of the additional work. One concern related to the modelling. My hon. Friend the Member for Manchester, Central remembers his days as a statistician. He will be reassured that my officials, too, thought that there were issues, which led us to ask for further work to be undertaken.

I am aware of the concerns that my hon. Friends have raised about the scheme in today's debate. I note the concerns about the impact on their constituents of the proposed implementation of the measures both along the Rochdale Road corridor and in Moss Side. I take on board the concerns raised about quality contracts. We have done all that we can to encourage local authorities to use that important tool to improve services. My hon. Friends will be aware that the Conservative party has made a commitment to abolish it from the toolkit of local authorities. We are also considering how we can revamp the way in which we subsidise bus-operating companies in order to ensure that we get maximum value for money. My hon. Friend the Member for Manchester, Blackley raised concerns about some of the challenges of governance, particularly in relation to leaders from different political parties.

Let me reassure my hon. Friends that I will take on board what they have said. I will read *Hansard* tomorrow morning to ensure that I take on board the points that they have raised before I make a decision. If there are specific points that I have not been able to answer due to the shortage of time, I apologise. I will write to both of them this week to give them the answers that they need so that they are armed with the necessary tools, including for the meeting on Friday with the ITA, to ensure that they get the best possible service for their constituents, who deserve nothing less.

Queen's Diamond Jubilee

4.30 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): It is a great pleasure, Mrs. Dean, to serve under your chairmanship. I thank the Minister for taking time out of his busy diary to respond to this debate. I am pleased to see the hon. Member for Romford (Andrew Rosindell) here, as he has done so much on this matter with his private Member's Bill.

It is very much within the context of the Government's planning for Her Majesty's diamond jubilee that I believe we should have a festival of Britain, and I am keen to push the idea to the Minister. Indeed, I have raised the subject before in the main Chamber, and I was most grateful for his response; the idea of that happening in conjunction with Her Majesty's diamond jubilee was something that he welcomed as having an excellent socialist genus.

I believe that we have the opportunity to hold a year-long festival of Britain, with the Olympic games being a dramatic crescendo. I would like particularly to thank Mr. Malcolm Felberg, who took the effort to lobby me on the idea; he is a constituent of the right hon. Member for Croydon, North (Malcolm Wicks). It would give us the opportunity, in line with the Government's approach, to have activities taking place in villages, towns and cities across the country, perhaps avoiding some of the pitfalls of the grand projets that sometimes come with such occasions.

It has been the style and approach of the Government to give good notice of the jubilee week. It is testament to the way in which the Government are listening to proposals that nothing is cast in stone at this stage. However, a good deal of planning would be necessary. I believe that it would be right to have some activity on the south bank, and I am grateful for the local and regional media's interest today in the idea of having a 1951-style festival. It would be most apposite, given the First Secretary of State's antecedents and his grandfather's involvement in the 1951 festival.

It would be good to have some activity on the original south bank site; that would cheer the nation and promote British technology. Indeed, although there might be a danger of there being some Wilsonian white-heat-of-technology ideas, it would nevertheless be useful to celebrate manufacturing excellence, given that the Government are trying to manage the economy in such a way as to reduce slightly our dependence on financial services.

Most importantly, however, it will give us the chance to celebrate these glorious Elizabethan years. It will also give us a chance to capture the attention of visitors to the United Kingdom during the Olympic year and, in line with the Labour Government's slogan of 1946, to show that "Britain can make it". These are challenging times—times of austerity, perhaps—and to be able to say that we have excellence in manufacturing and that Britain can thrive and recover would be a good theme between now and 2012, as the economy recovers.

The year 2012 should be a festival of Britain that celebrates British talent in art, culture and sport as well as in industry. However, there is clearly an important royal process for it. Only Queen Victoria has celebrated a diamond jubilee. That was pushed for by Colonial Secretary Joseph Chamberlain, who really wanted to celebrate the British empire.

Now is our chance, with such a celebration, to reflect positively on our Commonwealth ties, and to consider the changing nature of British society in the context of our imperial history. It is regrettable that our children do not learn as much about our imperial past as they could, particularly as its history has made our country what it is today. Such teaching would go a long way towards redefining the nature of migration in the minds of the young. I hope that I do not offend too many colleagues in the Chamber by saying this, but it would also provide many salutary examples of how foolhardy military engagements in far-off places can be a great trap for our nation.

Beyond schools, I believe that a 2012 festival of Britain would bring the chance for scholarships and apprenticeships to assist the disadvantaged, to show that their talents are most applicable as Britain rebuilds her economy and as we move away from services—particularly financial services—to manufacturing, technology, innovation and science. Perhaps we could have diamond jubilee scholarships, open to students from Commonwealth countries, that could foster British values overseas.

It is right that we should have a physical presence. I am aware of the danger of being accused of saying that significant public sector finances should be made available for such an initiative, but we would clearly want to catch the spirit of the silver jubilee. I remember attending street parties in 1977—I am sure that other Members remember it too—and I believe that that is the community approach that the Government would like to adopt.

It might be appropriate, with many people going to the Olympic site, for them also to have the opportunity to go to a site here in the centre of London, behind the London Eye. It might be apt to have a new Skylon. I know that Winston Churchill took the original down very snappily after he was re-elected. That emblem of the original festival of Britain was the subject of teasing; it was said that, like the economy, it had no visible means of support. Perhaps that approach could be pursued now.

I am attracted by the idea of a permanent legacy for the festival of Britain jubilee year. In some ways, that is a criticism of what is going on with the Olympics. Some of the legacy prospects for the Olympics are less ambitious than they were at the start, and some of the ambitions for a cultural Olympiad have unfortunately had to be put to one side. Perhaps that is something that could be dealt with as part of a diamond jubilee for Her Majesty. After all, when we look around our country, we see in many towns and villages that a great many of our commemorations of Queen Victoria are the result of her diamond jubilee.

Hardly ever does a debate go by without my mentioning Croydon; I have mentioned Croydon 42 times during this Session of Parliament. A permanent legacy could be found in the neighbourhood of the London borough of Croydon in a rebuilt crystal palace. Another Minister described me as living on another planet for suggesting the idea, but there would be some value to it. Situated in the demographically dynamic south of London, a new palace could embody all the elements of art, culture, sport and industry that the festival would promote.

A crowning glory in jubilee year would be for a British museum extension to be built in south London—a testimony to south London and to Britain's global

[Mr. Andrew Pelling]

reach. After all, it was after the 1851 exhibition that the original palace was exported to Crystal Palace. In many ways, one can see a continuity in the prospects for any general exhibitions that we might have. The 1851 exhibition was clearly industrial and technological, and the 1951 exhibition was about post-war reconstruction.

A 2012 jubilee commemoration and exhibition could be based on green jobs and technology, perhaps emphasising LED technology. In Croydon, a green energy technology exhibition could rejuvenate the failed Skyline project, which I am sad to report to the House went into administration this week. It would also brighten up our lives in this time of economic downturn, perhaps with a project to light up London. That would be a very bright way in which to celebrate.

I feel that Her Majesty commands our respect and allegiance as our monarch, but she has earned our love by the manner of her reign. As in previous jubilee years, we can look to our sovereign lady as a symbol of unity in difficult times.

Moreover, there is much to celebrate from the original festival of Britain. I am pleased to have a facsimile of the official festival of Britain book, which was produced by HMSO and written by Mr. Ian Cox. Many of the themes mentioned are similar to those of today. Tolerance, for example, was one such theme, although ethnicity was somewhat different. The book said that the British nation was one of the most mixed people in the world, and it emphasised the importance of tolerance. Moreover, it tried to define—this was one of the difficult challenges—what it is to be British.

When I was on the Education and Skills Committee, we asked our witnesses, "How do you treat Britishness?" They had the temerity to reply, "How do we define that?" It is a very difficult thing to do. The HMSO book defined Britishness as a mixture of the lion and the unicorn, the lion being about realism and strength and the unicorn about fantasy, independence—something that I very much appreciate—and imagination.

Colleagues will be most amused to hear that reference is also made to a new initiative in west London—the new London airport sited 15 miles west of London. The HMSO book said that the terminal would be grouped on a 50 acre site in the centre of nine main runways, and that the facilities would enable the airport to handle "4,000 passengers". That shows how modest the ambitions were, and how easy it is for a project to grow and grow—no talk there of third runways.

I feel that the jubilee festival of 2012 provides us with an excellent opportunity to celebrate our cultural diversity and helps us to crystallise a sense of national identity.

Andrew Rosindell (Romford) (Con): I congratulate the hon. Gentleman on proposing this debate. He has extensively referred to the Commonwealth and the importance of involving countries with strong historical ties to Britain. Does he agree that this is also an opportunity to involve those countries and territories that still remain part of the United Kingdom? We have 16 British overseas territories and five Crown dependencies. Does he feel that they should be included in this great celebration of Britain? May I also say that the idea of a festival of Britain is something that I wholeheartedly endorse?

Mr. Pelling: I feel especially honoured that the hon. Gentleman has spared the time to attend this debate, particularly bearing in mind his prominent role in emphasising the importance of our nation's continuing to celebrate its links with the overseas territories. It was very notable how the original festival of Britain emphasised our link with overseas nations, the Commonwealth and the remaining empire. It strikes me that it would be entirely within that tradition to do so again. It is a great loss that we should no longer celebrate either those links or our sense of responsibility to those nations. We all pay credit to the hon. Member for Romford for the way in which he has so successfully flown those 16 flags over the duration of this Parliament.

In any exhibition, it should be possible to promote the advances in aerospace, pharmaceuticals, telecommunications and green technology. Perhaps there could be a Science museum exhibition to highlight recent British inventions and discoveries. We could extend the London Open House and Open Garden Squares weekend programmes to the rest of the country, as well as promote paintings by British artists at metropolitan and provincial galleries. Moreover, we could have festivals of film and theatre, featuring British writers, actors, producers and directors. After all, one of the best ways in which to promote the success and diversity of the British economy is through the media.

How wonderful it would be if such an enterprise culminated in Andy Murray's winning Wimbledon, England's winning the European football championship and the British team's winning an unprecedented number of medals at the Olympics, which would be opened by the Queen in her diamond jubilee year.

4.45 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): It is a pleasure to appear before you, Mrs. Dean, and to hear the hon. Member for Croydon, Central (Mr. Pelling) talk about his vision of sunlit uplands in 2012, which I, too, very much wish to see. Let us hope though that 2012 will be the third time that Andy Murray wins Wimbledon.

I am delighted that the hon. Gentleman has raised this very important subject for debate, and I am also delighted to welcome the hon. Member for Romford (Andrew Rosindell), who has a long and proud record of support in this area. We have heard a number of interesting ideas and contributions. I look forward to seeing the facsimile record waved by the hon. Member for Croydon, Central during the debate. For more detail, I shall have to read about the festival of Britain during the summer, when I have a bit more time.

I am aware that the subject is a matter of interest not just to the hon. Gentlemen but to many people across the United Kingdom and Commonwealth. My noble Friend the First Secretary of State and I have received many letters on the matter. The way in which the Commonwealth and the dependent territories are referred to in the debate is extremely important, and I certainly wish to see them fully involved in the celebrations that happen in 2012.

Let me bring the hon. Gentleman up to date. On 5 January, I made a statement to the House announcing a special diamond jubilee weekend. The late May bank holiday will be moved to Monday 4 June and an extra

bank holiday will be added on Tuesday 5 June. A diamond jubilee medal will be issued and there will be a competition for city status. Although it is still early days, I am now pleased to be able to report that the First Minister of Scotland has confirmed that there will also be a four-day weekend in Scotland, which means that people from across the United Kingdom and the Commonwealth will be able to celebrate the jubilee together.

The hon. Gentleman referred to the possibility of staging a year-long festival of Britain. He knows already of my great interest in that event and the context in which it took place in 1951. It is a very attractive idea, especially given the success of the 1951 festival, which so lifted the spirits of the nation after such a difficult time of rationing. Although the crisis then was of a slightly different nature and scale to the one we are encountering now, it is still important that we have a positive picture of Britain—not just for the outside world but for Britain itself.

Although it is still early days, as I said, we are already planning certain events. Given that the jubilee is only two years away, it may be too late to develop a completely new year-long festival. Moreover, 2012 may already be rather full of major events. We have the diamond jubilee and the Olympic and Paralympic games, which open in London less than two months after the diamond jubilee celebrations. However, the hon. Gentleman will be delighted to know that we already have plans for the cultural Olympiad to reach an exciting climax in 2012. Festival 2012 will mark the finale of the cultural Olympiad and it will run from 21 June to 9 September 2012. It will be preceded by a series of "festival trailblazers" at the start of 2012. At the heart of the festival will be a programme of new commissions by the best artists and creative talent in the world. The festival will be a wide-ranging series of events covering pop, film, fashion, theatre, opera and digital innovation. By the end of 2010, the main elements of the 2012 programme should be in place. In addition, I can also report that Buckingham palace itself is currently developing some exciting plans for the jubilee weekend.

The Victoria and Albert Museum is planning a wonderful Cecil Beaton photography exhibition that will celebrate the Queen's reign. That exhibition is likely to open in Scotland before coming to London early in 2012. It is anticipated that the exhibition will then travel to other museums and venues throughout the United Kingdom and other countries.

The hon. Gentleman mentioned a number of cultural events in connection with the festival of Britain idea that he has proposed. We perhaps need to think more carefully about how to co-ordinate events during the celebrations in 2012. Although we need to recognise that all these events will be happening and that the diamond jubilee will occur very near to the Olympics, it is important that we celebrate the diamond jubilee separately from the Olympics, because a diamond jubilee is such a momentous occasion.

It will be only the second time in our history that a monarch has celebrated a diamond jubilee. The respect in which Her Majesty is held within our nation and across the world is so profound that the jubilee will be an opportunity to ensure that that respect is conveyed, so I would hate to think that the diamond jubilee would be overshadowed in any respect, even by an event as massive as the Olympic games. We have therefore to think quite carefully about how we approach the various events occurring in what will be an extremely exciting year.

The Big Lottery Fund is considering how it might support community-led activities to mark the Queen's diamond jubilee. The hon. Gentleman mentioned the street parties in 1977, which I am sure we all remember, and I am certain that such parties will happen in 2012. It does not matter what I say or what anyone else says; I think that people will organise such parties off their own bat. As the hon. Members for Croydon, Central and for Romford may be aware, the Awards for All programme, which was funded by the lottery, made a significant contribution to the success of the golden jubilee celebrations in 2002.

We are receiving lots of ideas and suggestions all the time; there is no shortage of ideas coming through, not least from the hon. Member for Croydon, Central. There is a proposal for a diamond jubilee horse race, which is very appropriate given the Queen's long-standing interest in horse racing, and that idea is currently being developed by the horse racing industry. The Government also hope that communities will come together and find their own ways to look back and remember the past 60 years, as well as to celebrate the Queen's many interests and achievements.

I was very taken by the hon. Gentleman's reference to monuments across the country. He is absolutely right to say that many of the monuments to Queen Victoria in our communities emanated from her diamond jubilee in 1897. It would be good for communities to think now about organising themselves in that regard, because it is sometimes quite difficult to realise that the next two years will pass very quickly.

Many of these ideas to celebrate the Queen's diamond jubilee will be completely independent of Government and, of course, that is how it should be. The diamond jubilee is not in any way a political event. We want to create the right environment for the jubilee celebrations to take place, and I am sure that we will proceed on a cross-party basis.

As the hon. Members know, there will be a diamond jubilee medal and a competition for a new city. I am not yet in a position to give more details about the criteria and eligibility for the medal or about the competition for city status. However, I can reassure the hon. Members that work is under way on both projects, drawing on the precedent set by the golden jubilee in 2002 and the lessons that we learned then. I am well aware of the strength of feeling about eligibility for the medals, and we will bear that in mind when we reach our decisions.

The diamond jubilee will be an ideal opportunity to celebrate science and innovation in the United Kingdom and I am sure that will be reflected in the events that take place in 2012. Recently, I attended an excellent exhibition in Manchester called "The Big Bang", which aimed to encourage an interest in engineering and science among schoolchildren and young people. I was privileged to meet schoolchildren and young people, of ages ranging up to 18, who had completed fantastic science and innovation projects.

I do not think that such projects come to the attention of the general public enough. The type of interest that the diamond jubilee celebrations in 2012 will foster will

[Ian Lucas]

provide a platform for us to celebrate all that is great about the United Kingdom, our culture, our science and our innovation. The diamond jubilee should certainly be an opportunity both to reflect on the past 60 years and to think about the future. I am sure that Her Majesty would wish to see it celebrated in that way. It will be a huge opportunity for us to present the United Kingdom in a way that will be to the long-term benefit of the country.

Andrew Rosindell: I am delighted that the Minister has said that the Olympics should not drown out the diamond jubilee. It is very important that we ensure that the two events are separate. I think that the historic significance of Her Majesty's 60th jubilee means that it should be the most prominent event of the year, although we will also celebrate the Olympics.

May I also commend the Minister for what he has just said about schools? Can he assure the House that schools will have a vital role to play in celebrating the diamond jubilee and in teaching young people about the importance of the monarchy and the role that the Queen has played in creating stability and unity within our nation?

Ian Lucas: The hon. Gentleman is very aware that we share an interest in constitutional history and in the genius of the British constitution. Of course, the monarch plays a massive part in the success of the British constitution. It is very important that we communicate, especially to young people, what a special governmental set-up we have within the United Kingdom.

One of the reasons for Her Majesty's success is the way that she has been able to maintain respect for the monarchy in a time of massive change. The hon. Member for Croydon, Central referred to a description of Heathrow airport from 1951, which showed that the changes in the past 60 years have been enormous. There are ideas around now that could not have been contemplated when Her Majesty came to the throne, yet the respect that she is held in now has been maintained throughout that period of change. It is crucial that we stress her importance in that regard.

Mr. Pelling: The Minister is quite right to conclude this debate by returning to Her Majesty herself. The past 60 years have been a time of great change, including in social attitudes. The Queen has been the focus of attention in times of national celebration, but she has also been a source of counsel in times of crisis for the nation.

Ian Lucas: Indeed. The Queen fulfils an extraordinary and demanding role, but the respect that she is held in shows how well she has performed that singular role in the past 60 years. The diamond jubilee will be a tremendous opportunity to say thank you to her for the service that she has given.

I know that the hon. Members who have spoken in this debate will continue to contribute their ideas as we approach 2012. I greatly welcome their continuing interest. We will take on board what they have to say, discuss it further with them and see how the matter is resolved as we come to 2012.

Question put and agreed to.

5 pm

Sitting adjourned.

Westminster Hall

Thursday 25 March 2010

[MRS. JANET DEAN *in the Chair*]

Police Community Support Officers

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. Watts.)*

2.30 pm

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): I am grateful to you, Mrs. Dean, for chairing this debate, which is being held in Government time, on what for many constituencies is an important issue: the role, function and, I hope, future development of police community support officers. The Government were keen to have a debate on PCSOs today, because we recognise that the 16,500 PCSOs in England and Wales have an impact on every constituency in the land. They are performing the vital functions of protecting the public from crime, reducing crime and, crucially, building confidence in not only their own role, but those of their colleagues in the police, including in neighbourhood policing teams.

You will recall, Mrs. Dean, that my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) introduced the concept of PCSOs in the late 1990s, and the first PCSO commenced operations around 2000. Year on year, we have built additional capacity, to the extent that today we have well over 16,000 PCSOs playing their crucial role alongside police officers.

You will also know, Mrs. Dean, that crime has gone down by more than 36 per cent. during the past 12 to 13 years. In recent years, confidence in policing has risen to the present record level of 50 per cent. We have a target of 60 per cent. confidence in policing by 2012. I contend that, as well as the wider work that we do on policing and all the activity on serious crime and terrorism, the performance of PCSOs has played a strong role in the achievement of those figures, showing that crime is down and confidence is up.

Perceptions of antisocial behaviour are also considerably lower now than they have been in recent years—indeed, they are at their lowest level ever. I am not complacent about crime, confidence or antisocial behaviour, but the fact that we have a team of professional individuals working to support full-time police officers this very day on the streets of Burton, Delyn in north Wales, Stone, Romford and Carshalton and Wallington—to name but five constituencies at random—shows that there is strong support for their role to date.

Mr. William Cash (Stone) (Con): Given the importance that the Minister rightly attaches to matters such as national security, terrorism and the really big problems, including violent crime, which the police have to deal with, does he accept that there are those of us who believe that having a supplementary force does do some good, provided that it removes some of the burden from the police in their core activities and, hopefully, much of the paperwork that policemen have to do at the moment? Although one might give a cautious welcome to the proposals, does the right hon. Gentleman agree with me that the object is to take that burden away from the police, so that they can get down to their core activities and do their job even better?

Mr. Hanson: The hon. Gentleman makes an extremely good point. A key role of police community support officers, as their name indicates, is providing support. That is what they are intended to do. They are intended to be a public face, to enhance confidence and to support police officers in providing a visible presence in policing, but at the same time they do not have the powers of arrest and or have to do much of the paperwork that police officers do. They can provide reassurance to the public and be visible to the public. Sometimes, I dare say, the public do not differentiate between police officers and PCSOs in their understanding of visible policing. There is a clearly defined role for PCSOs, and I want to discuss with hon. Members how we can further clarify that role. That leads me to the discussions that we shall have about the safe and confident neighbourhoods strategy that we recently published.

In Flint in north Wales, we had a record 65 PCSOs in 2009, and my local force in north Wales has had 159 PCSOs since 2008. That helps the visibility of policing. I have seen in my constituency how PCSOs are a first point of contact who can reassure the community, pick up information that sometimes leads to the detection of more serious crime, and be the front-line face of policing in the community. They fulfil a very important function.

It is also important that PCSOs closely reflect the nature of the communities that they serve. PCSOs are helping to change the face of policing, making it more representative of the communities served. For example, 11.5 per cent. of PCSOs are from a minority ethnic background and 44 per cent. of PCSOs are female. Those figures are way in advance of the figures for black and minority ethnic representation and women's representation in the police as a whole. By reflecting the community and being out and about on visible patrols, PCSOs act as a visible deterrent, actively engage with the community and increase trust and confidence in policing.

Mr. Cash: Can the Minister give us, drawing from general surveys, a sense of what the Police Federation and other police officers feel about the fact that PCSOs have now become an integrated part of community policing arrangements?

Mr. Hanson: Certainly, when I talk to officers on the ground—officers at senior level and sergeants and constables—there is recognition that PCSOs are part of the integrated policing family and perform a valuable function. They are not police officers, but they are police support officers. They undertake visible activity, help the police and are part of a successful neighbourhood policing operation, which is now increasing confidence and reducing crime. Equally important, PCSOs help communities to deal with serious crime and pass information back to police officers.

Taking up the hon. Gentleman's point, when I make visits throughout the country, I get a sense of real engagement with PCSOs and the police. On Monday morning, I was in Stockport with my hon. Friend the Member for Stockport (Ann Coffey), paying a visit to

[Mr. Hanson]

the policing family there. I met PCSOs and residents, who really appreciated the PCSOs. They knew their PCSO by name and knew their phone number and e-mail address; they called them by a friendly moniker and talked to them as though they were part of their local community. That is important: PCSOs were not seen to be policing from outside; they were integral to that community in Stockport.

Recently, I was in Carlisle with my hon. Friend the Member for Carlisle (Mr. Martlew). There, too, PCSOs are in the lead on neighbourhood policing engagement. They organise the policing meetings and are the first port of call for local people. That role is reflected in our safe and confident neighbourhoods strategy, which we published at the beginning of this month. In that, we have tried—this is the main point of our discussion today—to put PCSOs in a modern, forward-looking context and to ensure that we now consider how we define their role in a very clear way, to meet the points that the hon. Member for Stone (Mr. Cash) makes.

There must be clarity about a police officer's role and a PCSO's role. We are considering what training and support PCSOs need to do their job better and what other activities and powers are needed to ensure that we not only differentiate them from police officers, but make them more effective as a whole. PCSOs are distinct from police officers because they do not have the full range of powers to which the hon. Gentleman referred. That allows them to spend more time in the neighbourhood, to make visits, to engage and to encourage discussions with community members.

PCSOs certainly fulfil an extremely important role. Indeed, in 2006-07, PCSOs were spending about 80 per cent. of their time on the streets engaging with our constituents. Police officers spend less time out there, although we hope to raise the proportion in due course. PCSOs spend 65 per cent. of their time patrolling and 15 per cent. of their time on specific engagements. Having 16,500 people spending 65 per cent. of their time on patrol in our communities is a visible way of giving reassurance to the community at large.

We are determined, in the safe and confident neighbourhoods strategy, to sharpen that role still further. We need to ensure that PCSOs receive better training and support. We need to ensure that they can get accreditation and give them a career structure. We need to improve their skills in the things that they need to do, especially those things that they need to do well. We are considering whether to give PCSOs extra powers to confiscate fireworks—we are coming to the conclusion that we should do so, as fireworks are a particular problem in November and December—and to tackle graffiti as part of our wider antisocial behaviour agenda by giving them the power to seize items that could be used for graffiti.

The service that PCSOs provide is valued by the public. The recent Casey review found that six times as many people said that PCSOs were doing a good or excellent job than said that they were doing a poor or very poor job. The review also found that people wanted PCSOs to have the strong backing of Government. Last Thursday, I was with PCSOs on the beat on the south bank, in the constituency of my hon. Friend the Member for Vauxhall (Kate Hoey), seeing some of the general neighbourhood work that they undertake in reassuring the public, particularly businesses and shopkeepers in the area.

My first contention is that neighbourhood policing works and that PCSOs are a key part of neighbourhood policing. The improvements in public services to which we are committed include maintaining a named dedicated neighbourhood policing team in all communities. The support provided by PCSOs is crucial to that. Central Government funding for the police has increased by almost one fifth in real terms since 1997. It is important to note that next year's funding for neighbourhood policing has been ring-fenced. In 2010-11, that funding will be uprated by 2.7 per cent. for each force, to a total of £341 million. That will ensure that neighbourhood policing teams will be maintained intact in 2010-11, and gives a commitment to police community support officers.

I do not expect the Government to change much after the forthcoming general election, such is my optimistic outlook on life. However, I seek a commitment today from the hon. Member for Romford (Andrew Rosindell) that, in the event that he assumes a ministerial position, the ring-fenced funding for police community support officers for 2010-11, which has been approved by Parliament, will be maintained. The hon. Member for Bury St. Edmunds (Mr. Ruffley) did not give such an agreement five or six weeks ago, when we debated this matter on the Floor of the House, but I am sure that that was an oversight. I would like to hear the hon. Member for Romford give us the true picture of the Opposition's position on the matter.

Tom Brake (Carshalton and Wallington) (LD): The Minister reassures us that the budget will be ring-fenced, but can he give such a reassurance in relation to London, where the source of funding is slightly different? I understand that there is significant concern about whether funding in London will be sufficient to maintain officer numbers.

Mr. Hanson: I am grateful to the hon. Gentleman. Far be it for me to be political about the matter, but the Government have given an increase in grant to the Metropolitan Police Commissioner for next year—from memory, a 2.7 per cent. increase, but I stand to be corrected. However, the increase will be at least 2.5 per cent., which is the minimum across the country. The Mayor of London has chosen not to raise the precept this year. That is a judgment for him to make—he is entitled to do that—but it could lead to a severe funding shortfall. However, if I can say so, Mrs. Dean, it is nothing to do with me, guv; it is a matter for the Mayor. He has chosen not to increase the precept, but if the commissioner has difficulties next year, responsibility will be placed fairly and squarely on the shoulders of Mr. Boris Johnson of this parish, who in due course will have to account to the public at large.

I shall give the hon. Member for Carshalton and Wallington (Tom Brake) some further projections, none the less. We have given a ring-fenced commitment for next year, which has been approved by the House of Commons. The neighbourhood policing fund is there. We have clearly said—this, too, is important—that funding from 2011 to 2014 for police officers and PCSOs will be at a level that gives police chiefs in all parts of England and Wales no excuse to reduce those numbers, for the

simple reason that the money will be there. We cannot say that yet for every aspect of public spending, because there will have to be a comprehensive spending review, but my right hon. Friend the Chancellor has said that funding will be in place to maintain the number of officers and PCSOs between 2011 and 2014.

We strongly believe that we need to improve PCSOs still further. We want to sustain neighbourhood policing, as we said in the document that we produced two weeks ago. We want to ensure that neighbourhood policing is a valued career path. We want to ensure that more people become part of neighbourhood policing and that they perform to the highest standards. For that reason, as I said, we are looking at improving the career framework for members of neighbourhood policing teams. The National Policing Improvement Agency is to develop a professional career pathway for those working in neighbourhood policing. It will shortly launch a PSCO accreditation structure to assist the development and training of those PCSOs who wish to become police officers and to improve the career structure for PCSOs.

Tom Brake: I thank the Minister for giving way again. Will that PCSO accreditation provide a pathway that leads seamlessly into the police proper? I know that the Met, in its recruitment strategy, is using special constables and PCSOs as a way of getting new officers into the police service. I wonder whether PSCO accreditation will facilitate the process, or will it be completely separate for such people trying to join the force?

Mr. Hanson: The accreditation and training has two purposes. First, it will ensure that we develop the skills base of those who wish to become and to remain PCSOs. Secondly, we need a career structure to help people across the bridge into the police—some people who join as PCSOs do a good job and ultimately decide to join the police. The documents that we produced recently will allow us to develop both those roles, while maintaining the integrity of the post and allowing the 16,500 PCSOs we have to do their job, which they do for everyone.

In recent documents, we have said that we intend to produce a national standard uniform for police community support officers. I am acutely aware that different operational uniforms are used in communities. By 2012, we want to have developed a standard uniform, so that PCSOs can be recognised throughout the country, dressed in a standard and universal fashion.

With chief police officers, we want to encourage forces to think creatively about how to incentivise officers, particularly PCSOs, to show their commitment to their neighbourhoods. I am acutely aware, both in my constituency and in other constituencies that I have visited, that the permanence of individuals in an area and the knowledge that they are committed to it helps to drive up confidence, build trust and ultimately reduce crime.

The Government have invented police community support officers; we have nurtured and developed them and we now have 16,500 PCSOs. We have given a commitment to ring-fence funding for next year and to maintain numbers between 2011 and 2014. We have said that we want to continue to embed those officers in neighbourhood policing, and we want to ensure that they are accredited, trained and developed accordingly. We want to give them a national uniform and make them a permanent part of the policing family for the community at large. That is where we stand at the moment.

The vast majority of Members in this House know of the good work done by PCSOs, recognise it and support it. I just want to ensure that that view is shared across the House as a whole. Concerns have been expressed, I believe, about the future of PCSOs, which could be down to a lack of clarity on the part of the Opposition. A debate such as this gives the hon. Member for Romford the opportunity to tell us how it is.

Tom Brake: It is a matter of transparency and openness.

Mr. Hanson: It is indeed. It is not that I expect the hon. Member for Romford to have to implement everything that he says this afternoon, because as a bigoted, biased Labour Member of Parliament, I do not expect him to have any opportunity to do so. None the less, for the confidence of the service as much as anything else, it is important that we understand how he and his colleagues envisage the role of PCSOs.

I submit in evidence an article in the *Yorkshire Post* of Monday 12 October 2009, in which the shadow Home Secretary, the hon. Member for Epsom and Ewell (Chris Grayling), is quoted. I am sure that some of the quotes are wrong, because I cannot believe that there is anybody who would not wish to continue with community support officers, but he is quoted as saying:

"Doing away with PCSOs is something I'm looking at at the moment."

Far be it from me to presume that that means that the PCSOs will go, but the hon. Gentleman is clearly quoted as saying, in October 2009, that he is looking at it "at the moment". I do not know how long it takes the hon. Gentleman to look at such a matter, but it is now March 2010 and I presume that he has given it some thought.

If the hon. Member for Romford held my position, would he maintain the ring-fence for next year and keep the numbers at 16,500 in future years? Does he recognise the good work that has been done, and will he clarify what "doing away with PCSOs" means?

Tom Brake: Did the Minister read the article that appeared in the papers a couple of weeks ago about how Conservative Members of Parliament can access the answers to such questions through their BlackBerrys? I imagine that the hon. Member for Romford will have been frantically typing in "Conservative position on PCSOs" to see whether the database has a response to such a question.

Mr. Hanson: I am sure that the hon. Member for Romford holds such matters in his head, because he is an assiduous Front-Bench Member. We have shared many a happy hour in Committee, and I am sure that, in due course, he will leap to the defence of whatever the Opposition policy is. The quote was from October 2009. It may be that things have moved on.

In Bournemouth in 2002, the right hon. Member for West Dorset (Mr. Letwin), who has some role in drawing up future Conservative policy options, said:

"We want to see real police officers doing a real job not plastic officers doing a plastic job."

[Mr. Hanson]

That is insulting to PCSOs, who put their lives at risk when they walk the beat to support full-time warranted officers. Moreover, that someone can say that on behalf of their party does not give me much confidence. I may be wrong, but to have enthusiasm for something—to have a forward agenda for something—requires one to appreciate it and value it. The right hon. Gentleman apparently does not and the hon. Member for Epsom and Ewell is apparently not yet convinced.

When asked, the right hon. Member for Witney (Mr. Cameron) said that he would no longer demand a fixed amount of money to be spent on PCSOs. Far be it from me to intrude on private policy discussions within the Opposition, but I would certainly welcome a statement from the hon. Member for Romford on whether he can lay to rest our concerns about policy objectives that could be very damaging to constituencies across England and Wales. Will he be clear today about his commitment to the future of PCSOs? I look forward to hearing from him.

I know that the hon. Member for Carshalton and Wallington will also contribute to the debate, and I am fairly confident that he will support my assertions. We may disagree on certain aspects, but, overall, there is an agreement that PCSOs fulfil a valuable function.

I have spoken for 25 minutes now, but I wanted to put it on the record that PCSOs are doing a good job. We are committed to their funding to date, to their funding next year and to their numbers in future years because we want them to continue to do a fine job for the community. I pay tribute to their excellence, bravery and the fact that they build confidence among the public. The record on crime and confidence is owed not just to hard-working police officers at all levels, but to the work of PCSOs. I commend their work to the House. I hope that we can have a useful debate on the future agenda and that we do not see the tenure of police community support officers end.

2.56 pm

Tom Brake (Carshalton and Wallington) (LD): I completely support the Minister's comments on the important role that the PCSOs play in the community, which is why I regret that the Government's original target of 24,000 had to be downgraded to 16,500. Let me start by asking the Minister about the original figure of 24,000. Now that we are at 16,500, what assessment was originally made about the need for 24,000? Why was the number downgraded, and has it had an impact on the ability of the safer neighbourhood teams to play their important role?

I echo the Minister's points in relation to the greater visibility that has come as a result of the safer neighbourhood teams. In many communities, their role is not just stopping crimes and acting as a deterrent, but addressing the fear of crime, which, in some of our communities, is disproportionate to the actual level of crime. Having a visible uniformed presence on the streets is important, especially at appropriate times. Concerns have been expressed by members of the community about PCSOs and safer neighbourhood teams patrolling the streets at 10 o'clock on a Monday morning when they would rather see them on patrol at 10 o'clock on a Friday evening. I acknowledge, however, that the whole purpose of providing community support officers was for them to operate in hours that are family friendly. There are issues, therefore, in trying to match the number of people on the ground with the peaks of criminal behaviour. None the less, PCSOs play an important role in providing reassurance, deterring crime and catching criminals.

As the Minister has said, PCSOs also help to redress the balance that perhaps does not exist in the rest of the police force, or uniformed services, in relation to ethnic minority representation. A significant component of the service is made up from minority communities and women. What one would hope to see, especially if forces are increasingly using PCSOs as the pool from which they draw police officers, is that such diversity will continue in the police service and that we will start to see issues of gender and ethnic minority balance addressed in the middle and high ranks of the police.

The fact that PCSOs draw from members of the ethnic minority communities is very significant, and there is no doubt that they have played a very important role in reducing crime in many communities. In the London borough of Sutton, criminal damage is down 36 per cent., motor theft down 29 per cent. and violence down 23 per cent. So PCSOs are having a real impact on the ground. However, there is no room for complacency. Even in the London borough of Sutton, where crime is down significantly, there is still an issue about people's perceptions of the behaviour of young people. I am sure that all hon. Members have experience, as I have, of people asking them to do something about groups of youths hanging around on street corners. I am fortunate, in that if youths are hanging around on street corners in the London borough of Sutton, most of the time they are only doing so because they have nowhere else to go or because they just want to meet their friends on a street corner. No ill intent is involved. However, that issue of perception needs to be addressed and that is a way in which PCSOs and safer neighbourhood teams play an important role.

Andrew Rosindell (Romford) (Con): I have listened carefully to the hon. Gentleman and the Minister, and they have used the words "neighbourhood" and "community" throughout their contributions. The hon. Gentleman is a London Member of Parliament, as I am. Can he tell me his definition of a community or a neighbourhood? The big failing of PCSOs within Greater London and my big concern about them is that they are not based on communities or neighbourhoods at all. They are based on electoral wards, which often have no relevance to communities or neighbourhoods; instead, they are purely related to electoral numbers. So does he agree that it is time that PCSOs were based on proper neighbourhoods and communities, rather than on administrative or electoral boundaries?

Tom Brake: I thank the hon. Gentleman for that very sensible intervention, which relates to the question of what the future network of PCSOs and safer neighbourhood teams will look like. The ward-based structure is positive, in that it is a very simple structure on which to base teams. Perhaps there is scope within that structure to allow joint working by teams that are adjacent to each other, so that they can address some of the issues that the hon. Gentleman has raised about the importance of ensuring that they represent real

communities. For instance, some of the St. Helier estate is in my constituency, some of it is in the constituency of my hon. Friend the Member for Sutton and Cheam (Mr. Burstow) and some of it is in the constituency of the hon. Member for Mitcham and Morden (Siobhain McDonagh). There is no reason why the safer neighbourhood teams on that estate cannot work more closely together if an antisocial behaviour issue on the estate crosses ward boundaries.

Andrew Rosindell: I am glad that the hon. Gentleman is now addressing that point. Although I wholeheartedly endorse the value of PCSOs, the worst problem about them in London is that, because of a bureaucratic mentality, they are based on ward boundaries, which is complete nonsense. In my constituency, there are communities where one side of the road is in one ward, the other side of the road is in another ward and the PCSOs will not cross the road. If we are to make PCSOs work effectively, we must look at proper communities and neighbourhoods and base the PCSOs on those communities, rather than using ward boundaries, which the hon. Gentleman suggested was an easy way of doing such things. I am afraid that using ward boundaries is an ineffective way of policing London.

Tom Brake: As I am sure the hon. Gentleman is aware, if he is proposing a totally flexible model for PCSOs, he has to consider how he would respond to his constituents from a low-crime ward. One area in his constituency might require a substantial number of officers to address crime, whereas it could be argued, based on the crime statistics, that another area requires a very low level of cover. He would then need to respond to the concerns of his constituents from what are perhaps the leafier patches of his constituency, which have low crime levels, and explain why under his model they would, presumably, see far fewer officers on the ground. Therefore, the perception or fear of crime would not be addressed, because officers would be moved from those areas with less crime to somewhere else within the constituency. That would be a political issue for him to address.

I want to move on to the lack of facilities for young people, which leads them to hang around on street corners. I hope that the Minister, or one of his officials, can give us an update on what has happened to dormant bank accounts. A couple of years ago, the Government proposed to use the funds that were left in dormant bank accounts, which were estimated by some analysts to be as much as £2 billion. They were dormant perhaps because someone had died, or had left a bank account with a small amount of money in it that nobody knew about, or had had an account 20 years before and had forgotten about it, or had lost the bank book, and so on. As a result, money was sitting in those dormant accounts that nobody knew what to do with. The Government's response was that they would use it to invest in youth services. I have watched with interest for announcements about that money, but it has been difficult to identify precisely where it has been used to provide the youth services that would give young people something positive that they can engage with.

I shall move on to another issue. The Government announced some additional funds to tackle antisocial behaviour, and I am pleased that my local authority benefited to the tune of £44,000. I understand that the authority has submitted to the Government the minimum standards that it would adopt to tackle antisocial behaviour, as it was required to do. In my view, however, the authority already has one of the most effective structures in place, which is the Safer Sutton partnership. As a result of that scheme, a single person was appointed to manage both the police teams that deal with antisocial behaviour and anyone working within the local authority who had a similar role. The first person who was appointed happened to be a police officer, but someone from the local authority or, indeed, someone from outside the authority could have been appointed instead. The scheme has been highly commended, including in a recent report on preventing crime by the Home Affairs Committee, of which you, Mrs. Dean, are a member. In that report, the Safer Sutton partnership is mentioned, as is the Sutton Life Centre, which is also trying to address some of these issues about young people and occasional bad behaviour.

Clearly, such a debate lends itself to Members making references to the activities of PCSOs and safer neighbourhood teams in their constituencies; the Minister himself did quite a lot of that in his opening remarks, and he also referred to the officers and teams in constituencies that he had visited. Consequently, I will take this opportunity to congratulate some of the safer neighbourhood teams in my constituency, although I think that I will only manage to mention six out of the nine teams. I believe that the longest speech that I have ever made in Parliament is 20 minutes, but I could extend that record to a couple of hours in the time that is still available for this debate, to cover all of the safer neighbourhood teams in my constituency.

I will start by commending the Carshalton South and Clockhouse team for the work that it has done in tackling an issue related to drugs. What surprised me most about the Safer Neighbourhood teams when they were first introduced was that they provided intelligence that I had thought the police had always had, regarding what was happening on the ground and the people who had to be watched most carefully in any area. It seems that before the safer neighbourhood teams were introduced a lot of that intelligence was lost; it simply was not there. Presumably, there were not enough officers on the ground to gather it or officers were patrolling in cars, and as a result that intelligence was hard to come by. Now, with the safer neighbourhood teams, the police can pick up some really local information about activities that we do not want to see people pursuing. I imagine that many of the cannabis farms that are being discovered all over the country are probably being discovered as a result of information that has been provided to the safer neighbourhood teams.

I would like to put on the record a comment that relates to the Wrythe safer neighbourhood team, and I hope that representatives of BP will read the report of this debate. Big companies, such as BP, may have significant issues related to crime. For example, customers drive out of BP petrol stations without paying, or people come into petrol stations and shoplift. Those big companies should take the appropriate action to tackle those issues, rather than tying down the local safer neighbourhood team for hour after hour in trying to address those issues.

[Tom Brake]

We have a really big issue in Wrythe, where the BP garage, which is right next to my constituency office, has a significant number of drive-outs. Unfortunately, the safer neighbourhood team spends a huge percentage of its time trying to address the problem of security measures there, which would be better addressed by BP. Local people do not want their safer neighbourhood team to be allocated almost permanently to sorting out the problems associated with one petrol station. That is something to watch.

The Wallington South safer neighbourhood team plays a really important role in the afternoons in addressing people's fear of crime and their perception of young people's activities. When schoolchildren come out of school and congregate in their hundreds by local bus stops, the team polices things and makes sure that people—whether the schoolchildren, or those who are walking down the pavement or travelling on the buses—get where they are going smoothly.

The Beddington South safer neighbourhood team played a really important role in working with the local community to ensure that a shop called Your High, which sold drugs paraphernalia, eventually closed of its own volition. The team played an important role in explaining to local residents the law on shops selling drugs paraphernalia. I do not know whether the Minister can give us an update on that, but the Government have been looking at the issue to find a way of ensuring that shops are not allowed openly to sell products whose only purpose is the illegal consumption of drugs. The shop happened to open around the corner from a local primary school, and that was not positively received by parents, as hon. Members can imagine. The children were being told by the school that taking drugs was bad, but they could walk round the corner and see a huge picture of a cannabis leaf in the window of a shop selling people drugs paraphernalia so that they could consume cannabis.

The hon. Member for Romford was yawning a few seconds ago. He was perhaps worried that I was going to run through all nine wards, so he will be pleased to hear that I have nearly finished. First, however, I want to mention the St. Helier neighbourhood team. The additional uniformed presence that is now available means that safer neighbourhood team officers and community support officers can attend residents' meetings to hear about problems in the vicinity directly from residents' associations and tenants' associations, and they can then help to address some of those problems.

One thing that the Minister did not mention, unless he did so in passing and my thoughts were elsewhere, was the important role that transport safer neighbourhood schemes play, certainly in a London context, in addressing some of the rowdier behaviour on some of our buses. Such teams are an important addition to the uniformed officers patrolling our public transport system.

In the last couple of minutes, I want to come to the challenges. There is an issue about maintaining the numbers of PCSOs, and I can put on record the fact that the Liberal Democrats are committed to maintaining them. As the Minister will know, we are also committed to increasing the number of police officers by 3,000, although I do not want to overplay the issue of police numbers, because senior police officers think that politicians play the numbers game all too often in a way that is not particularly relevant to policing. However, in terms of visibility, deterring crime and reassuring people on the streets, the number of uniformed officers is significant. The Minister referred to police numbers in London, which are potentially worrying. Depending on whom we believe, the number of officers could go down by between 500 and 100, as a result of the Mayor's proposals, so that will be an issue to watch carefully.

The Minister may be aware that the Metropolitan police are looking at reducing the cost of recruitment by increasingly recruiting new officers from among special constables and community support officers. As the Minister will be aware, the reasoning is that although recruiting special constables involves training costs, the salary costs are not there. Similarly, community support officers are already being paid in a particular role, and the training costs will be reduced if they start training while drawing a salary. What assessment has the Minister made of those changes? Are they likely, for instance, to restrict applications from a certain group? If the Metropolitan police draw recruits from among special constables, people will be required to be available to play that role in their spare time. If they recruit from among community support officers, they will be drawing on people who are already employed in a particular role.

One concern that I hope the Minister will be able to address relates to overtime and the challenge of deploying community support officers. Again, this may be a London-specific issue. Previously, London forces received from the Metropolitan Police Authority a sum that they were able to use for overtime purposes. If they wanted to undertake a task, or if they required lots of additional officers to police events on a busy bank holiday weekend, they could draw on that budget and use the money for overtime. The MPA has said that forces can no longer do that, and I understand that that is the result of press coverage a few weeks ago about police officers allegedly getting significant payments for taking phone calls when they were working overtime, although the accuracy of those reports may not be what it seems. However, the MPA has responded by saying that the funds cannot be used for overtime, and that will have a significant impact on the ability of police forces across London to task events where they need an extra bit of capacity. As the Minister will know, overtime is a much cheaper way of providing additional resources over a short period than recruiting full-time officers to build capacity into the system without the need to rely on overtime.

The Minister mentioned training. Additional training is being considered for community support officers, but is there scope for, or has consideration been given to, additional youth training? Safer neighbourhood teams and community support officers have an important role in engaging with young people who are perhaps more disconnected from the community. Training may be required to enable officers to do that, and my party would certainly support proposals to introduce it.

The Minister mentioned the issue of permanence, which he is investigating. Whether communities are ward-based or neighbourhood-based, they like to have a permanent officer or a permanent team. They like to see the same people patrolling their streets, and they like to get to know them. They like officers to establish a relationship with local community groups and businesses. In the past, however, there have been issues about

permanently allocating officers to particular patches. I would be interested to hear the Minister's view of changes that were made to ensure that officers were not permanently associated with a particular area, following concerns about links being established with perhaps less positive members of the community. I would like to hear from the Minister whether that has been taken into account in his proposals and, if it has, how it will be addressed.

I shall draw my remarks to a conclusion. I reiterate that I agree with the Minister in his support for community support officers and about their important role in dealing with crime, deterring criminals, increasing police visibility and providing reassurance to our communities. As I have already said, we are fully committed to maintaining numbers and, indeed, boosting the number of police officers. I shall listen with as great an interest as the Minister will to the official Opposition's response on whether they can make the same commitment as the Liberal Democrats and the Government.

3.20 pm

Andrew Rosindell (Romford) (Con): I welcome the opportunity to debate this subject, and I thank the Minister and the hon. Member for Carshalton and Wallington (Tom Brake) for their comments. I would of course expect the Minister to pay tribute to the work of police community support officers, and I repeat his tributes. Later I shall give some examples of the difference that PCSOs have made to the communities they represent.

There seems to be a coalition between the Government and the Liberal Democrats on this subject; they seem to agree entirely. I, on behalf of Her Majesty's Opposition, also agree that PCSOs have a role to play, and we support the valuable work they do in communities, but—unlike the Liberals and the Government, it seems—the Conservative party will not give a blank cheque or refuse to consider how best to use the resources we have for crime fighting in our communities. That may mean that more community support officers will be required, but it may also mean that in some areas there will be fewer of them, and more fully trained police officers. We believe that it is down to the local police chief—the chief constable or in the case of London boroughs the borough commanders—to make those decisions, based on the needs of the local community.

Mr. Hanson: In the event of the hon. Gentleman's party winning the election, which I would call a presumption rather than a fact, would he ring-fence the budget for 2010-11 for police community support officers?

Andrew Rosindell: As the Minister knows, I am not the shadow Chancellor of the Exchequer and I do not decide budgets and funding arrangements. That is something that only an incoming Government can decide, once we have examined the state of the financial situation we will inherit. From all accounts, based on yesterday's Budget and the general economic situation, we can see that there are no easy decisions to be made about spending by a future Conservative Government. However, I assure the Minister that when it comes to fighting crime, looking after the community and making the streets safe, a Conservative Government would of course do everything possible to ensure that funding was available to make the streets safe for the people we represent.

Mr. Hanson: I am not sure whether that is good enough. We need to know, for example, whether, in the event of the hon. Gentleman's holding my position, the 2010-11 budget, which has already been approved by the House of Commons and ring-fenced for police community support officers, would be un-ring-fenced for next year—never mind subsequent years.

Andrew Rosindell: As the Minister knows, my hon. Friend the Member for Bury St. Edmunds (Mr. Ruffley) is the shadow police Minister. He, unfortunately, cannot be here today, so I, the shadow animal welfare Minister, am replying on his behalf. If the Minister wants to direct his questions to my hon. Friend, he might be able to answer better than I can, but I do not think that any shadow Ministers can make funding commitments at this stage.

Tom Brake: I think that what the hon. Gentleman is saying, in a roundabout way, is that no, he cannot give that guarantee.

Andrew Rosindell: No, I am saying that we are not prepared to be rigid about such things at this stage. We do not know what we shall inherit on 7 May. We do not know what the situation will be. The Minister painted a wonderful picture of PCSOs and I agree almost entirely with what he has been saying, but we should not close our eyes to the need to examine areas where there are problems, and to consider where we can improve. That includes looking at resources and how best to spend them. As I said a moment ago, I do not believe that we are best placed to make those decisions. It is down to the local police, the borough commanders and the chief constable to make the decisions that they know will be best for their communities.

I will not, therefore, give funding commitments today. However, I will say that a Conservative Government will of course put crime fighting at the top of the agenda, unlike what we have seen of the Labour Government, under whom cuts were made. My constituency has suffered from that, losing a local police station in the early days of the Labour Government. That was long before Boris was Mayor of London, in case the Minister is thinking of mentioning that; regrettably, the Collier Row police station in the north of my constituency was closed, despite a campaign by the then Labour MP who unfortunately failed to persuade her colleagues of the need to keep it open.

Today we have excellent PCSOs who deal with both the Havering Park and Mawneys wards. I have no doubt that the hon. Member for Carshalton and Wallington will probably use much of the speech he made today in the next edition of the Liberal Democrat *Focus*. That is probably why I was yawning—I was thinking about reading it. However, people in my constituency are not confident that crime is being dealt with effectively under the Labour Government, or that a borough such as mine, Havering, in outer London, is treated fairly in funding. We do not get the police cover we need. We value our PCSOs, and they do an excellent job, but they can be better. We need to work with them to give them greater powers and more consistency in what they do, and to ensure that we use resources to best effect.

I want to give two examples of what I mean. I spoke earlier about PCSOs being based on electoral wards. Perhaps the Minister can tell me on what logical basis

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that is the right boundary for dealing with policing. There is no sense in it. Unfortunately, we are in a bureaucratic mentality, in which we think, "Let's base PCSOs on a ward boundary and ignore the realities on the ground, and the fact that boundaries go through roads, estates and communities to make equal electoral numbers in the wards." That is not logical and it is ineffective policing.

Collier Row in the north of my constituency is divided into three wards. There are PCSOs for one side of the road and a different group for the other side of the road, in the same shopping centre. That is complete nonsense and is not an effective use of resources. The hon. Member for Carshalton and Wallington rightly pointed out that if the allocation were based on proper neighbourhoods and communities there would be pressures to do with positioning, because of the difference in crime statistics for different parts of the constituency. That would inevitably be so, just as it is at the moment. I am sure that Sutton and Cheam and Romford have far fewer police per head than Hackney, Newham and inner-London areas.

In some respects that process goes too far. Outer-London boroughs need more policing, but where crime rates are higher, police resources will inevitably be used more than in the leafy suburbs. Also, if PCSO boundaries were based on communities and neighbourhoods and not on electoral wards there would, indeed, be some large and some small communities, and therefore fewer PCSOs in one area than another. However, all those matters should be decided locally. Allocations should be flexible and based on what is right for the community in question, rather than on some bureaucratic template that does not result in policing to the best effect on the ground.

The Minister referred to my hon. Friends the Members for Bury St. Edmunds (Mr. Ruffley) and for Epsom and Ewell (Chris Grayling). The Conservative party and the shadow Home Secretary have made it clear that we, as the party of law and order, will always ensure that the police, whether they are fully trained police officers or community support officers, will be given the full support of any incoming Conservative Government. What neither the shadow Home Secretary nor I can do is look at the issue with the eyes of those who have already been in government. The Minister has that privilege at the moment, although things might change in a few weeks' time. When that happens, we will be able to respond to the issues from the position of being in government, but we cannot do so today.

Tom Brake: The hon. Gentleman must address the fact that when his party was last in government, crime doubled and the number of officers fell. That is why people are entitled to know exactly what his party proposes to do about funding. The Conservatives have said that they will ring-fence some spending for some Departments but not for others. People reading this debate will want to know whether the hon. Gentleman's party is considering a 17 to 20 per cent. cut per Department to budgets that have not been ring-fenced.

Andrew Rosindell: No party, let alone the Liberal Democrats, can say at this stage what will happen in the event that any of us are in government after the election. Of course we all understand the need to get the public finances back in order. They are in a disastrous state today; £1 of every £4 that the Government spend is borrowed. We cannot go on like that. As my right hon. Friend the Member for Witney (Mr. Cameron) has made clear, an incoming Conservative Government will seek to restore fiscal responsibility in public expenditure and get the economy back on the right track. We can argue for the rest of this debate about what cuts might or might not be made, whether the next Government are Labour, Conservative, Labour-Liberal Democrat or Conservative-Liberal Democrat.

Tom Brake: Or Conservative-Labour.

Andrew Rosindell: Or any possible combination of parties. We can argue all day about it, but none of us can honestly state what the situation will be after the election. We all have to consider what we must do and what the right decisions are, based on the needs of the communities concerned balanced with the importance of getting the public finances back in good order.

Tom Brake: What the hon. Gentleman is really saying is that the Conservative party proposal for the next election is, "Vote for the Conservative party for change, but we can't actually tell you what we're going to do if elected on 7 May." Is that his prospectus?

Andrew Rosindell: Can the hon. Gentleman tell us what the Liberal Democrats would do? How can he possibly predict what tough decisions they would face? Not that they will be in that position; they have not been in such a position for many decades. But if we woke up on 7 May and found that we had a Liberal Democrat Government, they would face the same dilemmas as an incoming Conservative Government or a re-elected Labour Government.

We can all make party political points about what we might cut or keep, but we know that the real, hard decisions were not announced yesterday in the Budget. They have been put off. The real decisions about public expenditure—there is no doubt that we are in a dire position—will have to be considered properly in a later Budget after the general election is done and dusted.

Mr. Hanson: The safe and confident neighbourhoods strategy was launched by my right hon. Friend the Prime Minister and signed by four Ministers, the president of the Association of Chief Police Officers Sir Hugh Orde, the Conservative chair of the Association of Police Authorities and the Minister for Social Justice in the Welsh Assembly. The strategy makes the commitment that I outlined in my speech to the House this afternoon. Will the hon. Gentleman support its implementation in the event that he comes into government, or will he scrap it?

Andrew Rosindell: The fact that the strategy has been signed by lots of Labour politicians does not mean that I can say that I will follow it to the letter if I am in the Minister's position in a few weeks' time. I cannot give such commitments at this stage; it would be irresponsible to do so. We can confirm that we support the principle of PCSOs and the necessary funding for them, but we cannot discuss the level or the implementation in any great detail today.

I am being honest with the Minister. I think he is trying to hook me in a political sense, but that will not work. My party is being up front with the British people. We are not giving commitments about public expenditure that cannot be made until we have examined how bad the economic and public spending situation is after the election.

Mr. Hanson: Does the hon. Gentleman then refute the suggestion made by the hon. Member for Epsom and Ewell? His hon. Friend said:

"Doing away with PCSOs is something I'm looking at at the moment."

Is that not true?

Andrew Rosindell: I do not know in what context that remark was made. I would have to consult my hon. Friend the Member for Epsom and Ewell to find out. Maybe he was thinking of upgrading PCSOs; I do not know. I cannot speak for him. He is not here today. If he were, I am sure that he would be only too pleased to clarify his remarks.

I can only reaffirm to the Minister that the Conservative party believes that PCSOs play a valuable role. We support the work they do and we want to enhance their role within local communities. We are all constituency Members of Parliament. We have all come into contact with PCSOs and worked with them on a local level in our communities, wards or whatever they are called. We believe that they are doing a good job.

Let us not fall out over the principles. I cannot predict how they will be carried forward in the coming years as we face difficult economic choices, but I hope that whoever forms the next Government will continue to value PCSOs and work to allocate sufficient funding to maintain numbers.

The Minister obviously takes great pride in the fact that his Government created PCSOs, but according to my statistics, they promised 28,000 of them in 2004. That has not happened. We have only 16,000. They initially promised 28,000 PCSOs by 2008, but then they cut the figure to 16,000. The Government have not exactly followed through on their commitments on that issue. It highlights the fact that a Government cannot always predict circumstances—how things will change or what funding will be available.

As the Minister said in the Chamber on Monday during Home Affairs questions, things change. I think that was his answer to one of his own Back Benchers. Things will inevitably change after the election, whoever is in power. The difference is that my party is being rather honest with the British people, whereas the Government are covering up the economic catastrophe that our nation faces and that only an incoming Conservative Government will be able to address properly.

There are many examples—I will refer to one or two in a moment—of PCSOs who have proved to local communities how worthy they are. We can all think of examples from our constituencies, but I will give a few examples from elsewhere to prove that it is not a local thing. We are grateful to the local PCSOs whom we know particularly, but there are examples further afield.

PCSO Paul Tunnard chased a vandal who had deliberately damaged a patrol vehicle. Paul and his colleague were away from their vehicle in Leeds—a long way from my constituency—talking to members of the community when they noticed that someone had attacked a police van. They looked around and rapidly spotted a suspect escaping. PCSO Tunnard commandeered a bike from one of the young people to whom he had been talking and set off in pursuit. He then grabbed the 17-year-old and arrested him on suspicion of causing damage to the motor vehicle.

In another example, PCSO Nick Hammill was on routine patrol at Leeds bus station when he was approached by a woman concerned about a man who was behaving strangely and aggressively towards members of the public. Nick approached the man and held one of his arms. While he was attempting to detain him, the man pulled a large kitchen knife from the waistband of his trousers with his other arm and held it above his head. With assistance from passers-by, Nick bravely managed to disarm the assailant.

Another example is Mark Fitzgerald from south Salford, who won the PCSO of the year award at the Salford division excellence awards. He helped to set up home watch schemes and delivered hundreds of letters to residents containing tips on how to keep property safe. He also talked to them on a personal level and included messages on the electronic public display board. Thanks to Mark's efforts and the fact that the residents took his advice, the number of domestic burglaries between October 2009 and January 2010 was lower than in the same period the year before.

A common antisocial blight on our communities is dog mess. Recently, Jeffrey Griggs from Hodge Lea in Buckinghamshire was convicted for the second time in three months of letting his dogs foul in an open place. His dogs were spotted on a grassy area by the local PCSO, who slapped a £50 fixed penalty on the repeat offender when he made no attempt to clean up the mess. Griggs did not pay the fine and was brought before the magistrates in Milton Keynes, where he admitted the offence and was fined £100. The magistrates also ordered him to pay £200 in costs to the council. That is a simple but effective way in which PCSOs have made a difference in our communities. We can all think of examples from our constituencies and I will not reel off more, but we all value the work of our PCSOs.

I believe firmly that we should continue with PCSOs and that policing should be community-based. People should be able to identify and get to know the local PCSOs in their neighbourhood, and should feel confident and safe in approaching them and involving them in the activities and events of the local community. Only then can PCSOs be used to best effect.

I say to the Minister that we need to keep PCSOs, but that we need to reform the system. First, they should be given proper uniforms, and I am pleased that he said that in his speech. Uniform is important because if it does not command people's respect, it does not do the job that it needs to do. It is vital to bring in a proper uniform that people recognise and respect.

Secondly, we must ensure that resources are used effectively. I ask the Minister to consider one particular issue. The Collier Row police station in my constituency, to which I referred, is still owned by the Metropolitan police, but it seems to be an empty building or at the least used as an office. It is no longer open to the public and has lain empty for 10 years since it was closed. However, the Met has opened a little shop, or room, in

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the area for PCSOs. Such rooms have popped up all over the place. They are not open to the public, but are places where PCSOs go to carry out administrative work or have a cup of tea. Is it worth spending money on such local bases, or could resources be used to better effect elsewhere?

I believe that PCSOs should be based on communities, not ward boundaries. I hope that the Minister will consider that at national level. It is no good spending money on PCSOs and working to fight crime when the system prevents crime from being fought effectively because of such boundaries. I believe that is happening because PCSOs are based on electoral boundaries, rather than on communities.

Hon. Members present are from different parties, but we all believe in upholding the rule of law, to ensure that the streets are safe for our constituents and that criminals, yobs and those who make our communities unsafe are tackled. To do those things, we must use the limited finance available to us to best effect. The Conservative party believes in the principle of localism. We want to give the local police, the local authority and the local community power over what goes on, not for it to be prescribed by central Government. I assure you, Mrs. Dean, and the Minister that should there be a new Conservative Government on 7 May, this country will have a Government who believe in and uphold the rule of law, and who will give the support that is needed to ensure that the public are protected and that crime is fought.

3.46 pm

Mr. Hanson: With the leave of the House, Mrs. Dean, I shall respond briefly to the debate.

This has been a useful debate. Although there have been only a few speakers, it has shed light on the approaches of the different political parties to the future of police community support officers. I am grateful for the contributions of both Front-Bench spokesmen and for the interventions of the hon. Member for Stone (Mr. Cash) from the Back Bench.

The hon. Member for Carshalton and Wallington (Tom Brake) and I value police community support officers and believe that they strengthen confidence, help to tackle crime and should be supported. I welcome his commitment on that. He mentioned several issues that I hope I can help him with. First, he spoke of incentivisation to ensure that officers stay in a particular place and maintain links with the community, which is extremely important. Paragraph 1.15 of the safe and confident neighbourhoods strategy states that we will look at developing a scheme to incentivise officers, including PCSOs, to stay in their communities. We are currently working through that.

Tom Brake: In case the Minister misunderstood my point, I was saying that the system of officers being allocated to a post in a particular station for many years changed because there were issues of corruption and of officers establishing inappropriate relationships with local families. Has he taken that potential problem into account and how does he see it being tackled?

Mr. Hanson: We must keep that issue under constant review. It is important that officers do not become over-familiar with individuals in the community. All the evidence suggests that regular, long-term, sustained engagement with the community has benefits for the police and the community. The document states clearly that we will look at how we can incentivise and use existing reward and recognition schemes to maintain officers in a community and build a relationship over time. I hope that the hon. Gentleman welcomes that.

The hon. Gentleman mentioned training. The issue of youth training and how we deal with young people is of particular importance. My experience from being on the beat with PCSOs is that they are engaged and that they often get into the softer areas of activity. Supported by the youth crime action plan and by real money, they organise activities after school, in the early evening, to help build confidence with communities of young people and get them involved in alternative activities. Last summer, I visited PCSOs in Croydon to look at the various schemes they were running. They were organising football clubs after school to provide alternative activities for young people. That type of activity and the training required are the sort of things we shall certainly consider.

The hon. Gentleman also mentioned the Dormant Bank and Building Society Accounts Act 2008. Following the passage of that legislation, he will know that we established the reclaim fund. It is in the process of being set up and made functional, but it is not yet operational. The Treasury is examining how it will work and I am trying to link with the Big Lottery Fund to ensure that money is available for communities to do the things I know he wants them to do—providing alternative facilities.

I am not attempting to tiptoe into marriage with the hon. Gentleman but, if I may say so, there is a great deal of agreement between us on police community support officers. Our objectives in the safe and confident neighbourhoods strategy—training, incentivising, embedding and ensuring that police community support officers are there—will have a great deal of support in the future.

The hon. Member for Romford (Andrew Rosindell) made an interesting speech. I accept that the hon. Member for Bury St. Edmunds (Mr. Ruffley) is not here today, but I still have some concerns about the potential guarantees that were given, particularly as we are talking about an alternative Government's prospectus on the issue. I have taken from today that for next year there are no guarantees of funding from the Conservative party for police community support officers and that there is no guarantee of ring-fencing for PCSOs for next year if the hon. Gentleman and his party are in government. In addition, there is no guarantee for longer-term funding.

Although the hon. Gentleman prays in aid some very important cases—those he mentioned in Leeds—we need something more concrete to ensure that the public know what choices are available. It is simply not good enough to say, "We will look at this when—if—we get elected in due course." The public expect to see a prospectus about what the commitment is to those posts. The Government have the safe and confident neighbourhoods strategy. We have already made a commitment to ring-fence for next year and to ensure that for future years we do not lose officers unless operational demands are considered. Those are real commitments that we can look at and, I hope, share.

The Government did indeed have an aspiration to have 24,000 PCSOs, and in October and November 2007, they looked at revising the number down to 16,500. We have met that figure of 16,500. However, I remind hon. Members that when the Government were elected in 1997, there was not one police community support officer in any community anywhere in the country. PCSOs were an invention of my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) and the idea has been built on by successive Home Secretaries and supported by the Ministers who have held my position to date. The commitment we have given in the strategy document and to the House today is that we will continue to support, embed and develop PCSOs and build on their confidence, so that our communities feel safer.

I accept the point made by the hon. Member for Romford about ward boundaries. We need to consider localism and what is important to a community. We can certainly examine those issues in detail. The key thing I take from today's debate is that there is a clear divide on the issue. There is a Government commitment to the creation and continuation of PCSOs, but with due respect to the hon. Gentleman, there is real doubt about the Opposition's long-term commitment to them.

The right hon. Member for West Dorset (Mr. Letwin) said that he believes PCSOs are plastic officers doing a plastic job. The hon. Member for Epsom and Ewell (Chris Grayling) says:

"Doing away with PCSOs is something I'm looking at at the moment".

We have not had clarity from the hon. Member for Romford today about whether those two facts are still on the table and if we do not have commitments from the hon. Member for Bury St. Edmunds to ring-fence funding next year, I have to contend that there is no commitment to the long-term security of posts that are so valuable to my community and others.

Andrew Rosindell: The Minister is wrong—there is clarity. If the Conservative party were in government on 7 May, we would not propose scrapping police community support officers. We have already made it clear today that we support the principle of PCSOs. What we will not do is prescribe what happens at local level. It is for the local police and the local authorities to make those decisions. The Minister is quoting things that my right hon. Friend the Member for West Dorset and my hon. Friend the Member for Epsom and Ewell said, but I think those comments are either outdated or taken out of context.

Mr. Hanson: Well, we will see about that in the next few weeks and months. We will test the issues in a friendly and amiable way, as, indeed, we have done today. My contention is simply this: there is a clear statement of policy from the Government on PCSOs and clear statements about their future—accreditation, development, embeddedness, training and confidence-building—as part of a commitment to neighbourhood policing. I believe that will stand us in good stead for the future.

Thank you, Mrs. Dean, for your chairmanship. I think hon. Members on both sides of the House have a commitment to welcoming and cherishing the work that is being done. Some very brave men and women are PCSOs and they put their lives at risk, because the criminal on the street does not differentiate. We need to recognise that bravery, commitment and professionalism, and build on it and sustain it for the future. I am grateful for today's debate and I hope that our exploration of the views has been useful.

Question put and agreed to.

3.55 pm

Sitting adjourned.

Westminster Hall

Tuesday 30 March 2010

[MR. ERIC ILLSLEY *in the Chair*]

Speaker's Conference on Parliamentary Representation

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. Mudie.)*

9.30 am

Miss Anne Begg (Aberdeen, South) (Lab): I am pleased to have secured this debate. We had hoped to have a debate about the important work of the Speaker's Conference on the Floor of the House at some stage, because Speakers' Conferences are rare events, but that was not to be. I had hoped for a two and a half hour debate last Thursday, but that was not to be either. So I am absolutely delighted that we have been given the opportunity to spend an hour and a half this morning discussing the findings and consequences of the Speaker's Conference.

I want to cover four different areas. First, I shall give some context to the Speaker's Conference—why it was set up and the reasons behind it. Secondly, I want to talk about the findings of the report, some of which were surprising, and some of which were less so. We hope that some of the findings will educate people in the future. The third area that I would like to consider is the response of various organisations, such as the political parties and the House authorities, and how they anticipate taking forward some of our recommendations. Those responses to our report have now been published. Fourthly, I would like to spend some time looking to the future and considering how we might carry on the work of the Speaker's Conference. Although a Speaker's Conference only lasts until the end of the Parliament in which it is set up, I hope that our report's recommendations will have long-lasting effects and will potentially change the future composition of our House of Commons. In the time I have available, I hope I can cover all those areas.

As I said, Speakers' Conferences rarely happen. They are often set up at the behest of the Prime Minister of the day, which was true in this case, and they usually consider constitutional issues that will have long-lasting repercussions. Cross-party support might therefore be needed to put recommendations in place. It is no use just one political party or Government accepting the findings of a Speaker's Conference report; it must have cross-party support. We were very conscious that some of the previous Speakers' Conferences had come up with radical proposals. We did not think that we would suggest something as radical as votes for women, as one Speaker's Conference did at the turn of the 20th century, or votes for 18-year-olds, which was one of the findings of a Speaker's Conference in the 1960s. However, we hoped that the findings and recommendations of our piece of work would have the same kind of long-lasting effects on representation.

The Speaker's Conference was set up to consider the composition of the House of Commons and to try to find solutions to rectify the disparity in the representation of some groups of people. For example, only 19 per cent. of Members of the House of Commons are women, despite the fact that women make up 52 per cent. of the population, and small numbers of Members are from ethnic minorities, despite the fact that an increasing proportion of the population comes from ethnic minorities. We also considered why there were so few disabled Members, when we know that there is a large disabled population in society. Those were the main areas of our remit, but the phrase "and associated matters" also allowed us to consider other groups that are perhaps under-represented, particularly those from the lesbian, gay, bisexual and transgender community.

We took evidence from across the whole country. We were keen to get out of the Westminster bubble, and did not want to be seen simply as a parliamentary delegation descending from on high. We were also very keen to engage with the people we met, and to listen to what they had to say, so that we could reflect those views in our recommendations. We took evidence in the Palace of Westminster itself, and I thank the leaders of the three main political parties, who gave evidence. Initially, they were not perhaps as tied into the process as we had hoped, but with a bit of persuasion, all three turned up, and we are grateful that they did.

One of the things that we became acutely aware of fairly early on in our deliberations was that the gatekeepers to the process of deciding who ends up in the House of Commons is not Parliament or the public; it is the political parties. They make the decisions on who their candidates are, and it is only the candidates chosen by the political parties who are put before the electorate. The electorate then make a choice from that group of people. We knew that we needed to get some kind of buy-in from the leaders of the political parties, because we were acutely aware that if they did not think that the work of the Speaker's Conference was important, nothing would change—as in previous years, when in many cases nothing much did change. I pay tribute to the three leaders; they did turn up and they acquitted themselves extremely well. All three demonstrated that they thought it important to have a diverse Parliament.

Bob Spink (Castle Point) (Ind): When the hon. Lady went out and about with the Speaker's Conference, how did the public feel about the grip that the political parties have on candidate selection? Do the public perceive that as being the key to the whole issue? Do the public want primaries, so that the whole community can decide which candidates will stand? How does she think such a system would work?

Miss Begg: I am conscious that the hon. Gentleman perhaps has a slightly different perspective on these matters from other people—I think he is standing as an independent at the next election. Interestingly, the general public often say that they want independents, and that they do not want the party political bickering. However, in reality, they find it very difficult to make their choice when independents are involved, because one thing that the political parties can do is provide a shorthand, in terms of a political philosophy. It is very difficult for an average constituent to know all the ins and outs of every candidate and the minutiae of their views, whereas the political parties, with their manifestos, create a shorthand that makes it easier for the public to make a choice.

[Miss Begg]

In the report, we say that it is a challenge for the political parties to realise their own importance in the democratic process. They perhaps must revitalise themselves and consider how they can reform their processes, particularly their selection processes, to ensure that they address the kind of issues about the general public to which the hon. Gentleman referred. The general public want people whom they can trust, and they want to feel that they have been given a proper choice. What is most clear is that people want a diverse Parliament that reflects them. They do not want to turn on the TV, put on the Parliament channel and continually see a group of people who they think have nothing to do with their lives. That point certainly came out loud and clear from our work.

At this stage, I should say exactly how important it is to have a diverse Parliament. We are not advocating having more women, ethnic minorities and disabled people in Parliament just because that would be a good idea—of course it is a good idea, as it would be nice to have people from different backgrounds in Parliament—but because that is fundamental to our democracy. It is imperative that we have people from different backgrounds and with different life experiences and perspectives in Parliament. Not only must the Executive represent the diversity of British society today, but Parliament, if it is to do its job of scrutinising the Executive properly, must represent that diversity as well.

It is not good enough to say that just because someone has been elected by a diverse electorate they know all about the different aspects of their community and everything that is going on. Had my hon. Friend the Member for Keighley (Mrs. Cryer) or someone like her not been elected, I suspect that the issue of forced marriages might not have been given the thorough attention that she has given it, because of her particular perspective and the work she had done on that. We know that people from different backgrounds and from more diverse sections of society have different views on what is important or crucial when deciding on policy.

There are three main reasons for broadening representation in the House of Commons. First, it is a matter of justice. Anyone who is an elector in this country should be allowed to stand for Parliament, and there should be equality of opportunity, so that all people have an equal right to stand for election to this place, no matter what their background, disability, skin colour or gender. Secondly, as I have indicated, we think that a diverse House will make better decisions and will therefore be much more effective. Thirdly, broader representation would enhance the House's legitimacy.

All those points are important in the light of what happened while we were taking evidence. We did not know whether our timing was particularly bad or particularly good, but as we were touring the country and taking evidence the expenses scandal blew up in all our faces. It was not something that we expected when we started our deliberations, and there is no doubt that it had an impact on the evidence we took. We saw how the standing of Westminster and the House of Commons in particular, and trust in the institution, were being eroded day by day, as more and more revelations came out. There was also a public clamour to get rid of us all, because there was a view that if we were all cleared out and a new lot came in, somehow everything would be different.

All that was happening as we took evidence. My view is that our timing was perhaps very good, because a large number of Members decided to stand down, giving us a chance to ensure that the new House of Commons is much more representative of the general population. Many candidates had already been chosen—I am not sure whether that was unfortunate or not—but there was still an opportunity to bring our recommendations to bear on the selection of a new cohort of MPs. We therefore rushed out an interim report that recommended that political parties should aim to redress in their late selection processes some of the inequalities that exist in the present system.

As we took evidence, it became clear that that would not necessarily happen without the buy-in of the political parties and their leaders. It would not happen by accident, as it had not done so in previous generations. It became clear from the political parties that had a mechanism for encouraging groups that had been under-represented that that certainly made a difference. The only direct reference in the report to a party's policy was the reference to the Labour party's use of all-women shortlists. There is no doubt that the use of all-women shortlists increases the number of women representatives by a proportion that it is not possible to achieve by other means.

One of the amendments that we hope will be made to the Equality Bill would oblige political parties to report their monitoring of their candidate list with regard to gender, ethnicity and, if the candidates declare them, disability and sexuality. By making the parties aware that they have to report on those matters, we hope they will pay more attention to them. The Conservative party is trying hard to increase its number of women candidates but has not used such mechanisms, whether all-women shortlists or others. Although the number of Conservative women Members in the next Parliament is likely to double or even triple, regardless of which party wins the election—we know that just from the number of Members standing down and the number of women candidates standing in safe seats—that will still be nowhere near the 50 per cent. of the new cohort needed to redress the historical imbalance, as they are starting from a low base. Although I pay tribute to the work the Conservatives have done to ensure that they have more women candidates, because they did not go down the route of having a mechanism that would redress the balance, their proportion of women in Parliament will still be short. The most we can possibly hope for is that in the next Parliament, the proportion of women will increase from 19 to 24 per cent., which is still a long way behind what is needed, even though the numbers will increase dramatically.

There is no doubt that the political parties have chosen more ethnic minority candidates. No Asian woman has ever been elected to Parliament, for example, and there is a pretty good chance that there will be more than one in the next Parliament. Again, we will fall far short of the numbers we would need to reflect society at large.

I want to concentrate more on disability, because we are still not sure that the next Parliament will be any different in that regard from previous Parliaments. As

someone with a disability, I know that we are used to being almost 20 years behind everyone else on the equality agenda, although during the past 13 years that has changed dramatically under the Labour Government—we are possibly only five or six years behind everyone else, which might still be two Parliaments or more. There are real challenges concerning people with disabilities. Disability is no different from the other issue, so unless we address the supply side the candidates will not come forward.

We need to ensure that political parties, community organisations and anyone involved in politicising—with a small "p"—people or campaigning open their doors to disabled people, so that those with the prerequisite qualifications will put themselves forward for Parliament. It is still the case that someone will not be selected for a winnable or safe seat in Parliament unless they have some kind of background in community or political activism, because that is one of the key qualities that constituency parties look for when selecting candidates. They want to know that the person will be able to do the job of being an MP. The political parties have a responsibility in that regard, but so too do voluntary sector groups, and in a much wider sense. In fact, it is the responsibility of everyone to ensure that people with disabilities are not forgotten or sidelined, but are encouraged to be part of the mainstream in whatever the decision-making process or campaigning may be, or the area of work in which the organisation is involved.

Disabled people also have in-built disadvantages. Generally, they are proportionally less likely to be in higher paid jobs. One of the things we found—the amount varies from party to party but this applies across all the parties—is that becoming an MP is not a cheap process. It can cost a huge amount of money to get selected, and if the constituency the individual is hoping to be selected for is not local, travel can cost a great deal. For someone with a physical disability, travel may be even more expensive. If they do not drive but rely on taxis, the costs of trying to get selected could be completely prohibitive.

One of the things the disability charity Scope proposed, with which we agreed and have recommended, is that there should be access to some kind of public life fund that would operate in the same way that Access to Work operates. It would make extra funds available to people with disabilities, to allow them to compete on an equal footing with those who do not have disabilities and thus, the extra expenses.

Another way in which disabled people have a disadvantage is that they are perhaps disproportionately put off even putting themselves forward for this place. I remember thinking that the last thing I, as a woman, wanted to be was an MP in Westminster. Why would I want to get involved in all that yah-boo politics? I have to say that once someone gets elected, they get caught up in it and really quite enjoy it, but that is how it is perceived from the outside.

The same can be true for disabled people in particular. They see this Victorian pile sitting along the River Thames and the stairs going into it, and they assume it is not particularly accessible, but that has changed. In the 13 years I have been in this place, the willingness of the House authorities to recognise that people with different abilities and disabilities should be welcome in this place—their whole attitude—has changed dramatically. It is difficult to explain that to people who might want to put themselves forward. There will still be anxiety that perhaps adjustments will not be made. We have not had someone elected who uses British sign language, for example, so there are practical difficulties that would have to be ironed out.

The Minister of State, Ministry of Justice (Maria Eagle): Does my hon. Friend accept that role models are tremendously important, and that she herself, having slogged away for 13 years in this place, is the best role model imaginable for disabled people, particularly those with a mobility impairment? Every day she comes here, she shows that it can be done. People out there see that it can be done, and she is the one who has shown them that. She should be congratulated on that.

Miss Begg: Modesty prevents me from responding. However, my hon. Friend has put her finger on something. My right hon. Friend the Member for Stirling (Mrs. McGuire)—I hope she will not mind my saying this—qualifies as a disabled person under the Disability Discrimination Act 1995 because she is an insulin-dependent diabetic. She told me that she was at a hustings event for disability organisations, and one of our colleagues in this House did not imply but actually stated that he thought I was the only disabled person in this place. There are at present three of us who use wheelchairs to get around, so it was not that he had not noticed the invisible disabilities—he had not even noticed the visible disabilities. I am not sure what my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) would have made of that.

It could be that we have been so successful in becoming integrated that people do not notice we have a disability. That would be great, but it is wishful thinking. That is part of the problem, and one of the issues. People who have an invisible disability are in a quandary as to whether to declare their disability. At present, we still equate the word "disability" with ill health and weakness. While those things are connected, it is difficult for people who have a hidden disability—I shall speak about mental health in a moment—to declare it. It is one of the problems they have.

Mental health is another issue on which the House of Commons puts out the wrong message. If someone is sectioned under section 141 of the Mental Health Act 1983, they lose their seat as a Member of Parliament. We had hoped to get an amendment through the House to repeal that section, but it will not be possible to do so before Parliament dissolves. It was interesting taking evidence, because we discovered that someone who was in a coma for six months could keep their job as an MP, but someone who was sectioned under the Act for six months could not. That sends out the wrong message, because it basically says that anyone with a mental health problem is not fit to be an MP.

To go back to the point I made at the beginning of my speech, it is imperative that we have people with different experiences in this place. We know that the proportion of people who have mental health episodes in their life is high; therefore, it would be useful to have people in this place who are willing to talk about their experiences and how they came through their problems. As with all health issues, a mental health disability is not necessarily permanent. It might be, but if someone

[Miss Begg]

has any kind of permanent disability or chronic condition, they learn how to cope and how to carry on. Those are the important things.

We asked the political parties to present the data they have been using in monitoring their candidates. From what we can gather, we are not sure that the next Parliament will have any more disabled people than this one. Of course, we do not know how many disabled people there are in this Parliament. We know of quite a number of people who have disabilities, as defined by the Disability Discrimination Act, that no one knows about, and that such people do not think of themselves as disabled. We still have a huge job to do to improve the representation of disabled people. I am conscious of the time, and I know that a couple of my colleagues wish to speak as well.

The next thing I want to discuss is the responses we received, including from the House authorities, to whom I pay tribute. I thought their response was very good. Their attitude has changed, and Parliament's education department has improved in recent years. It does much more outreach, and one of the things we need to do—certainly on the supply side—is to enthuse people about politics and what we do in this place, so that they can become part of the political process, and, being part of the process, therefore be more likely to stand for Parliament. The three political parties have also responded, and the Government responded in the form of a Command Paper. All the organisations in question have taken the findings seriously.

Another area we are concerned about—perhaps this is where our timing was either good or bad—is the report published yesterday by the Independent Parliamentary Standards Authority. If barriers to becoming an MP are built into how we remunerate MPs and how the expenses system works, we could make things worse. We have some concerns that what was published yesterday might act as a barrier to those who have caring responsibilities, whether for elderly relatives or young children.

I am still trying to absorb everything in the report. It recognises that an MP with a disability may have extra expenses, but the caring element for an MP with a child seems to end when the child is five. A Member who represents a Scottish constituency and who has a new baby will face a challenge when deciding where to send her children to school, and how to do her job as an MP. Both things are important, but the situation is difficult for someone with a young family.

The responses are there. The Speaker's Conference ends when Parliament dissolves. I had thought that its work would finish when we published our report, but I discovered that it continues. My seat is marginal, and I do not know whether I will be re-elected—that is up to the electorate in Aberdeen, South—but having examined the issue, I realise how important it is. If I am re-elected, I will not let it lie, because responsibility for implementing the findings and recommendations is not just for this Parliament, nor even just for the next: it will be for future Parliaments. I hope that during the next Parliament we will make some progress, but it will be far short of what is necessary.

We probably came too late to the game. Our report was published only in January, fairly close to an election, and by that time many prospective parliamentary candidates had been selected, so we were not in a position to influence the political parties from the beginning of the selection process. That is why I am looking to the parties to ensure that this is not a one-election wonder and that, because they have made the right noises this time, they do not put the report on a shelf and forget it. We must start from the beginning of the new Parliament to engage young people, and to educate and develop the skills of the next generation of politicians.

We also have a huge job in restoring trust in politicians and Parliament, and in ensuring that political parties select their candidates for the election after the forthcoming one from a diverse background, so that they represent British society more thoroughly than at the moment, and will be part of the restoration of trust in Parliament. I hope that the political parties and the Front-Bench spokesmen here today will take that message on board. I hope they accept that the work of the Speaker's Conference is as important as we believe it is, and that they will give a commitment today that the report will not sit on a shelf after the next election, but that it will become a working document and they will all take cognisance of it.

10.2 am

Mrs. Ann Cryer (Keighley) (Lab): I have not prepared a speech, but I scribbled a few notes while my hon. Friend the Member for Aberdeen, South (Miss Begg) was speaking. The hon. Member for Castle Point (Bob Spink) asked what feedback we received when we travelled around. I did not attend all the out-of-London hearings, but I went to Manchester, Cardiff and Leeds.

It was interesting that many of the people who gave evidence were from the voluntary sector—from the women's institute, Soroptimist, Church organisations and so on. They were interested in what they were doing and saw nothing wrong with that, but we tried to explain that they should consider translating that desire to change society for the good into joining a political party, and trying to become a member of a local, district or parish council or a Member of Parliament. I tried to push the idea of joining a political party—not particularly the Labour party, but any party. Whenever I speak to people from Soroptimist, WIs and so on, as I do fairly frequently, I talk about the work of the Speaker's Conference, and about them transferring their good work into another form. After all, politics is just a group of ideas. We join a political party because, by and large—but not entirely—we agree with what the party stands for.

Mr. Gregory Campbell (East Londonderry) (DUP): The hon. Lady is touching on an important subject. Many people throughout the United Kingdom look on political parties and the House of Commons as irrelevant, except when they need a problem resolved or they are campaigning on an issue. They look on this place as being separate and distinct from, and irrelevant to, their ordinary working lives. Is it not part of our collective duty to try to make our activities here more relevant to the day-to-day lives of ordinary people?

Mrs. Cryer: I agree, and that is what we all tried to do when we went out into the sticks and talked to people.

The Speaker's Conference was started by Speaker Martin. He has been given some hard knocks over the past year or so, so I want to put in a good word for him. The conference was his idea. Unfortunately for us, Speaker Bercow was already a member of the conference, so we lost a member but gained a sympathetic and understanding Speaker. I also thank Speaker Bercow for supporting us, although my hon. Friend the Member for Aberdeen, South, has done all the donkey work throughout the year. It is a pity that we have not had more support from—dare I say it?—Conservative Members. Only one has been an assiduous attendee at our gatherings, and that has been appreciated.

My hon. Friend mentioned my work to oppose and try to stop forced marriages. I argued and argued for nine years, and there were times when that was difficult. I was called a racist and all sorts of things, despite the fact that everything I said was said to protect the most vulnerable members of the Pakistani community and, to some extent, the Bangladeshi community in my constituency. I was tarred with the usual racist brush, but I have three half-Indian grandchildren and one half-African step-grandchild, so I am hardly racist.

The Forced Marriage (Civil Protection) Act 2007 went through Parliament because our party had so many women on our Benches—women who were prepared to argue that Government time should be made available for the Bill, although it took only a day and a half to go through all its stages, so time was not a huge problem. If there had not been so many women on the Labour Benches, the Act would not have got anywhere near the statute book, and we would not have made changes to immigration regulations to require people to be 21 or over if they are acting as sponsors, or entering the country as a spouse. In both cases, those changes were made because of women on our side of the House.

Maria Eagle: My hon. Friend should be congratulated on ensuring that the Act got on to the statute book. I have no doubt that that would not have happened without her campaigning. Does she agree that it is important not only to have many women on the Back Benches, who can see, from a different perspective, that an issue is more important than men might believe, but to have women Ministers, who can elbow and kick from inside the Government?

Mrs. Cryer: I certainly agree with my hon. Friend. My membership of the parliamentary committee of the parliamentary Labour party enabled me to push things in that committee with the able assistance of Cathy Ashton, who spoke on behalf of her colleagues in the House of Lords. We pushed the then Prime Minister and the then Leader of the House to find time to get the measure through.

Another measure that has not been greatly discussed came about because I am a woman MP. Mothers in my constituency had daughters who were being groomed for sex by some young men. As a result of that, and of me making a fuss, those women confronted the then Home Secretary, my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett), and pushed him to make changes to the law so that in certain circumstances, hearsay evidence can be heard in court. That helped their case a great deal. Another change was to make the grooming of girls a criminal offence, because until I raised that issue, together with those women, who worked with me in my constituency, the grooming of girls was not an offence.

Bob Spink: It is evident that, by setting that example, the hon. Lady is strengthening parliamentary representation, connecting people with Parliament, and showing people why Parliament needs a diverse set of MPs. That is relevant to the debate. While she was out and about, did she find that people had a desire to cut the size of Parliament from 657 MPs to 400, 450 or 500, depending on which party they support? I would like to cut the number to a smaller level. Did the hon. Lady get any feel for how that might affect the proportion of women in Parliament?

Mrs. Cryer: I am not sure that I follow that argument; the one thing does not necessary follow the other. I cannot remember anything being said at any time about reducing the number of MPs in Parliament, although perhaps my colleagues do. In my experience, we work a large number of hours, although it may be that at 70 I am finding it particularly hard. If we had fewer Members of Parliament, we would presumably have more work, but an MP's job is already stressful with long hours—too long, I think. I would not take us further in that direction by reducing the number of MPs, and I am not sure how such a change would help to get more women into Parliament.

I want to touch on the issue of expenses. The sort of treatment that many of us in the House, particularly women, received from *The Daily Telegraph* and other newspapers has definitely put women off standing for election. Women know how hard those of us at the sharp end of things found the situation. I was eventually absolved and told that I had not done anything wrong, but I felt guilty for about four months, as if I were some sort of criminal. I think that it is more difficult for women to cope with that sort of situation than it is for men—I am not sure why, but that seems to be the case. I have talked to many young women from my constituency party and local Labour parties who said that although they might once have considered putting their names forward for selection, after what some MPs have been through, they felt that it was more difficult.

Similarly, the rules on how we claim and what we can claim for have become much narrower, as regards what we used to call London living costs. That will make it more difficult for women with families to enter Parliament, because they will need a flat that is big enough to allow children to visit during the school holidays—I am talking about women who have constituencies outside London. When my husband entered Parliament in 1974, John and Jane, my two kids, had to stay in the flagship of seedy hotels, the Stanley House hotel in Belgrave road. We hated it, but there was not enough money to do anything else at that time.

Are we going to go back to that? If we are, Parliament will go back more and more to being a gentlemen's club, which people with money can enter because they can buy themselves out of that difficult situation. For those people, it does not matter that they do not get an allowance or expenses to pay for a decent flat so that their kids can stay at with them. If they have inherited wealth, just happen to have a lot of money in the bank, or are moonlighting and doing other jobs in courtrooms

[Mrs. Cryer]

or boardrooms—as many Conservative Members do—and making extra money, their expenses do not matter. However, for most people in our party, particularly women, the sort of accommodation that they can have in London will be crucial.

As I have some money in the bank, I was able to buy a decent flat on Marsham street, which is just over 10 minutes' walk from Parliament. It does not matter what time we finish at night; I can have a safe, comfortable walk back to my flat. I never use taxis; I always walk back home, and always walk to work in the morning, because I have a decent flat. That is partly because I have money in the bank, and partly because the expenses allowed me to claim the interest on my mortgage. That is all going to be stopped, and in the future women will have a real problem with where they are going to live. If they have to live out in Kennington or Lambeth or somewhere, they will have to get taxis. If they cannot get a taxi, perhaps they will have to use the underground late at night. That is a difficult situation for women to face, and if they think along those lines, it will be another deterrent to women entering Parliament.

If we could still claim interest on a mortgage, I would not object at all to the Fees Office claiming back any profits made on the properties. However, we are taking a retrograde step, particularly for women and people with children, and those who cannot afford to subsidise themselves when it comes to getting a decent flat near Parliament.

Just over a year ago, my constituency party started the process of choosing a candidate to replace me. As I am still the only woman MP in the whole of Bradford and Leeds—that is 15 constituencies—it was necessary to have an all-women shortlist. To its credit, the Keighley constituency party agreed, and went along with that. However, it became increasingly clear that another deterrent for women entering Parliament is the expense. One or two of the shortlisted women were coming from London. They had children, so they had the costs of child care and car or rail journeys.

We produce glossy leaflets for members of the Labour party, persuading them to vote for a certain candidate, and all that costs a great deal of money. Two of the shortlisted candidates told me that they could not afford to go for another seat if they did not get Keighley, as it would cost too much, and because of the time and travel difficulties that there are when one has children. I do not know how we resolve that; I have no idea what recommendations to make. Perhaps my colleague, my hon. Friend the Member for Slough (Fiona Mactaggart), might have a suggestion on how to get over the problem of the cost of being a candidate.

When I was married to Bob Cryer, who was MP for Keighley and then Bradford, South, he went to about seven or eight selection conferences over 20 years or so to become a councillor, an MP and an MEP. I went along with him to most of those selection conferences because I was interested, and the remarkable thing—no one saw it as being remarkable—was that at every one, there was an all-male shortlist. I do not remember a single woman being on any of those shortlists.

The Labour party has all-women shortlists. That is controversial, but it works. If anyone can think of a better solution to the problem of all-male shortlists, I am more than willing to hear it, but that is how things were, and I know that if we stop having all-women shortlists in the Labour party, we will drift back to the gentlemen's club, and to all-male shortlists. I do not know why that should be. It is very disappointing, but that is how it is.

I thank my hon. Friend the Member for Aberdeen, South wholeheartedly for chairing the conference. It has been a pleasure working with her. I had to divide my time between the conference and the Select Committee on Home Affairs, which made things a little difficult at times, and I therefore did not attend as many meetings as I should have, but it was always good to work with her and my other colleagues. Being a member of the conference has been a very worthwhile and good experience.

Several hon. Members *rose—*

Mr. Eric Illsley (in the Chair): Order. Before I call the next speaker, I remind hon. Members that I intend to call the Front Benchers from 10.30 am. I call Fiona Mactaggart.

10.20 am

Fiona Mactaggart (Slough) (Lab): Thank you, Mr. Illsley. Let me start by echoing the thanks to my hon. Friend the Member for Aberdeen, South (Miss Begg) for her work on the Speaker's Conference. It has been exemplary and rewarding for those of us who have participated.

I thought I would briefly talk about how people are feeling about politics at the moment, because in a way the Speaker's Conference is about making politics and political representation more widely available to more people. As politicians, we have managed to write ourselves into being despised, yet young people say to me more now than they ever have done since I was elected, "I'd like to go into politics. How do I do that?" I always say to them, "Why?", because it seems to me that politics is not in itself an end, but a tool to change the world into a better place. One of my concerns is that we have allowed a view that politics is an end in itself to become widespread. We need to restate that the reason why—I hope—everyone in this room got involved in politics was not to do an interesting job, but because they saw something in society that they felt needed to be done better, done differently, improved or whatever, and therefore politics became the tool they used to address that.

I turned to political representation after having tried to change the world through pressure groups, teaching and being involved in the local council, none of which changed it enough. That is not an unusual experience. One of the very important points about the conference is that it recognised that diverse representation changes society in different ways.

About five years after I was elected, I came out—that is really the only way to describe it—as someone who had a life-limiting condition. I have multiple sclerosis. I spoke about it only in the context of a debate about stem cell research, and the reason why I spoke about it was that it seemed to me grossly ironic—as a woman who had had infertility treatment, and had still in a refrigerator in a fertility centre two embryos—that although those embryos could have been used for research into

my fertility, they could not, under the old law, have been used for research into my multiple sclerosis. At that point, knocking on for 50, I had given up on fertility and was much more concerned about dealing with the other condition. It seemed to me relevant to speak about that in the debate in the House of Commons.

My hon. Friend spoke in the same debate. I was very disconcerted by the headline the following day in *The Times*, which said "Disabled MPs speak up". I thought, "You know what? I am not." There are people with a condition that perhaps affects their life but they do not have to reveal it. I spoke about my condition because it was relevant to the debate, but I had never been called "disabled" before. Many of the issues that the Speaker's Conference is dealing with are ones that people do not necessarily want to share. No one can hide their gender, but people can hide their sexual preference. People can keep private aspects of their caring responsibilities. All these things affect us as politicians, but unless we have in politics people with those diverse effects upon them, politics will have a narrower view.

After there had been 1,000 days of a Labour Government, I did some research on the difference that women MPs had made, and it was absolutely clear that it had been huge, not just in legislation terms but in how the Government were held to account. Defence Ministers were asked about the families of soldiers for the first time by members of the Defence Committee, which had previously never had a woman member. We can change the way in which politics is done. If people see that in the representative body of Parliament, there are life experiences that connect with their life experiences more closely, the chasm that has opened up between us and the general public can be narrowed, which can only be good for democracy. If democracy has the voices of a wider range of people, it does its job better, which is the very important point about the conference.

One issue I want to stress, which was mentioned in the opening speech of my hon. Friend concerns section 141 of the Mental Health Act 1983. Mental ill health is a disability that is much more silenced than most others. It is grotesque that someone who has been sectioned is therefore automatically excluded from this place. I am disappointed that an opportunity was not taken to get rid of that section. There was an opportunity to do that; I have to be clear about that. What I heard from Ministers was, "Oh well, we have to find something appropriate to deal with this issue at the same time as getting rid of that section." I do not see why that has to be the case. When I was out of Parliament for months because I had cancer, there was no mechanism to deal with the fact that I was out of Parliament for months. If someone is out of Parliament for weeks because they have been sectioned, a mechanism is not needed to deal with that. It sounded to me as though there was a lack of leadership on the issue. I found that disappointing. I hope it is not allowed to persist and that the recommendation works.

I want finally to come to the issue of expenses. I used to be called a "quota woman" in Slough, but guess what? No one kept saying it, because people recognised that I, like most of the women who were selected from women-only shortlists, was a competent MP and a good representative of the town. I have promoted women in my party putting themselves forward for Parliament, but I have stopped doing that to the degree that I did, because women, who are the default carers, are now having to choose between their caring responsibilities and Parliament. Unless they can find a London seat within commuting distance of Parliament, so that they can have their children at school and do this job, it is impossible, and not just for women with young children—teenagers need their mums, too.

I think we are making a big mistake with the new puritanism, and I speak as someone who was declared a "saint" by *The Daily Telegraph*. I think that makes it easier for me to say it. The new puritanism will narrow participation in Parliament. It is the wrong thing and I am very disappointed by what the Independent Parliamentary Standards Authority has done. We cannot afford to narrow participation in Parliament, because if we do, our democracy will be damaged by it.

10.29 am

Lynne Featherstone (Hornsey and Wood Green) (LD): I congratulate the hon. Member for Aberdeen, South (Miss Begg) on securing the debate. She and the hon. Members for Slough (Fiona Mactaggart) and for Keighley (Mrs. Cryer) demonstrate dramatically the benefit of having women in the House. All three contributions exemplified the importance and benefits of diversity, and they were truly extraordinary.

At this point, I also want to mention those of my colleagues who were at the Speaker's Conference. My hon. Friend the Member for East Dunbartonshire (Jo Swinson) is more than committed to the cause of creating a more representative Parliament, as is my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris). In the House of Lords, my noble Friend Lord Lester has certainly been very involved in these issues, and he introduced the Forced Marriage (Civil Protection) Bill.

The Liberal Democrats very much welcome the Speaker's Conference and its report. Many of its conclusions and recommendations are necessary steps towards creating a more representative Parliament, and it has to be that way. It is ludicrous that so many representatives do not represent and are not involved in some of the issues that arise. As good as we are at representing our constituents on everything, and that is what we do for them, the explicit knowledge of being something, rather than observing and understanding it, makes a qualitative difference to debate.

The Speaker's Conference found that the main onus was on the political parties to ensure wider representation. The Liberal Democrats are challenged in this regard, and although we are working hard, we clearly do not have ethnic minority candidates, and we are short on women and those with disabilities. The hon. Member for Aberdeen, South gave an eloquent and distinguished speech about the importance of demonstrating that people with disabilities are not disabled in any way, other than because the House of Commons itself is not appropriately or seemingly welcoming, even though it has changed. The barriers are absolutely huge, but those with disabilities who are coming forward are more than able to be as good as, if not better than, most of the other people in Parliament. They can put their case and be the role models that the Minister mentioned.

My colleagues and I acknowledge that we are short on representatives from all the strands of equality. By implementing many of the report's recommendations,

[Lynne Featherstone]

and building on many of the procedures we are using, we hope to make ourselves more inclusive and more representative. I would add that we do very well at other levels of government—councils, the Scottish Parliament, the Welsh Assembly, the London assembly and Europe—but we have found things difficult in Parliament. We have identified that the reason for that is not our party's selection meetings, where women are more likely to be selected, but getting women to put themselves forward for selection despite the great barriers they encounter.

My colleagues and I welcome the recommendation that all political parties should appoint diversity champions. The Liberal Democrat leader, my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg), has written to all our regional party chairs asking them to appoint diversity champions, and I am pleased to say that many of these champions are already in place. For example, seven champions have been appointed in London, one for each of the equality strands identified in the Equality Bill. These champions have been tasked with supporting individuals from under-represented groups to help them find their way through their role in the party and towards being elected.

The Liberal Democrats are committed to ensuring that the route into politics is as open and as transparent as possible, and we are proactively reaching out to those who do not necessarily follow the traditional route, which is sometimes difficult. There need to be numerous routes into Parliament, and we have recently started sessions on "planning your political career" to help those from non-political backgrounds to chart their way ahead in the political sphere.

If someone comes from a background, as I did, with no books on, history in or expectation of politics—no "in"—it is unusual for them to make the leap into politics. There was no one to chart my way for me, and I simply had what the hon. Member for Aberdeen, South called an overdeveloped sense of wanting to fight injustice and change the world. I did not think that someone like me could be a politician, because I do not look like one; there is something about politics that is very alien.

I came into politics late. I joined the party at 40. I hope that hon. Members will forgive me for sidestepping, but I am a woman and I made it in. I did not take a traditional route; I did not study philosophy, politics and economics at university—I was a designer. When we talk about diversity, we are talking about people from all walks of life. When we look around the House, we see people who are used to standing up and talking, such as teachers and lawyers, and they feel more confident doing such things. Someone who comes from a background where they do not have to speak to anyone other than boards of directors or suppliers is taking quite a different route in.

I was a designer, and there are not many designers in politics. We need all sorts of diversity, and the routes into politics should be diverse. We should encourage and help people who do not think of going into politics, as the hon. Lady said. Some people do not necessarily think about making the jump between working in a voluntary organisation and going into politics, and the same is true for people from all walks of life.

Discriminatory behaviour at selection is not permitted under the rules of the Liberal Democrat party. As I said, the composition of the selection committee must reflect the constituency's make-up. Furthermore, diversity awareness training is a major part of our training for the selection of committee members. In priority seats, all members must be trained in diversity, and at least two people must be trained in all other seats.

I am a bit of a secret admirer of all-women shortlists, and that is well known in my party. While the Liberal Democrat party supports the legal right of parties to use the Sex Discrimination Act 1975 to enable the use of all-women shortlists, such shortlists would not necessarily address the underlying issues in my party, which are about getting women to come forward at all.

Maria Eagle: I am glad that the hon. Lady is a secret admirer of all-women shortlists. Perhaps she should tell the leader of her party, the right hon. Member for Sheffield, Hallam (Mr. Clegg), that he should be an admirer, too. One thing we can say about all-women shortlists is that they produce results—they work. The Labour party has been trying to deal with this issue for 100 years, and all-women shortlists are the only thing that actually guarantees a result. Some of the people who come in do just as well as anybody else.

Lynne Featherstone: There has been a remarkable step change in the Labour party and the composition of the House because of Labour's all-women shortlists. My party's leader has said that if there is no step change in the methods we are using, he will look at a mechanism after the next election. Using a mechanism is quite a step forward for Liberals, but in the end we have to look at the outcome.

My party is doing mentoring and other work at the moment, and we have brought another 140 women through on the shortlist. We have a high proportion of women in winnable seats. Four of the eight male MPs stepping down are being replaced by women, so we expect an improvement after the election, but we are talking about a longer route. I am sure the Labour party wishes that it did not have to use a mechanism and that the world was a different place, but I agree with what has been said.

However, I am running out of time, so if the Minister will forgive me, I will continue. A third of the Liberal Democrats' most winnable parliamentary seats now have women candidates. We acknowledge that we still have some way to go, but as I said, our leader has said he will review the need for a mechanism when we see the results.

I want briefly to touch on the atmosphere in the House. I was born into politics in the Haringey council chamber and forged in steel at a time when there were three Lib Dem and 57 Labour members, but that is not everybody's cup of tea. In coming to the House, I have tried hard not to get embroiled in things in the way that hon. Members have described. I have tried not to score political points in the jeering, bullying way that we see. The Minister looks surprised, but I think it is possible to change things. If we simply join in the old-fashioned, adversarial stuff that the public see at Prime Minister's questions, that is incredibly off-putting. It is a shame the microphone often does not pick up some of the Back-Bench remarks that are made about one's appearance

or contribution. I think that that would be off-putting and would expose those who make such remarks to the public gaze, which might be good for their behaviour.

The problem of getting a seat is not the easiest thing for women—or men, for that matter. I am a single parent and faced a huge Labour majority because I could not go anywhere else. I did not have parents or support, and my children were in school. I am lucky that I have a London seat because as a single parent, I would not have a chance in any seat but a London seat; I would not even have begun to think about coming to Parliament. What has happened about expenses would put that opportunity even further from me. The Solicitor-General has said, "Why not?" However, it is obvious why not. It is not possible to manage as a single parent, with no support, living in two places, and based distant from London. That will just be a barrier to women. I welcome the recommendations in the Speaker's report on greater support and pastoral care for candidates, because the sheer mental and financial costs of standing for any office can be off-putting. We have the opportunity to transform the political culture, and all the parties must take advantage of that.

10.40 am

Mr. Mark Harper (Forest of Dean) (Con): It is a pleasure to serve under your chairmanship, Mr. Illsley. I, too, want to offer support to the hon. Member for Aberdeen, South (Miss Begg) for her work as vice-chair of the Speaker's Conference, and I congratulate her on securing the debate. It is welcome that she secured it before the Dissolution of Parliament, because, as she said, we have not had a chance to discuss the conference in any other forum. As a result of timing problems, we did not have a chance during consideration of the Equality Bill to talk about clauses on diversity in this House. There was a good, constructive debate between the parties in the other place, but we did not have a chance to have one here, and it is welcome that the hon. Lady has given us that.

I shall slightly alter the focus of my remarks, because hon. Members have said one or two of the things that I wanted to say. There were 71 recommendations and conclusions from the Speaker's Conference, and I shall not try even to skate over a significant number of those. It is worth putting on the record—the hon. Lady dealt with this very fairly—that although my party acknowledges that we do not have many women MPs, my right hon. Friend the Member for Witney (Mr. Cameron), the leader of my party, made it clear that he wanted to change that when he became leader.

If we win the election with a small majority, we shall have about 60 women MPs, which will be a significant step forward from the 17 we have now. I am perfectly happy to acknowledge that there is still more work to do, but that would be a significant step. Just to have a bit of fun with the Minister, it is worth saying that there are six female members of the shadow Cabinet, which is more than there are in the Cabinet. That is my opportunity to bring about a bit of balance, and to get one over on the Minister, in a small way.

I welcome the clause in the Equality Bill about reporting—particularly, in the first instance, with respect to gender, and to black and minority ethnic candidates—so that we get a clearer idea of the progress being made across the parties. However, I wanted to touch on one point that the hon. Lady mentioned. I am pleased, incidentally, that she spent a fair amount of time talking about disabled candidates, because sometimes, in the media, diversity issues focus on gender and ethnicity, and the issue of getting more disabled candidates is forgotten. The hon. Lady, and the hon. Member for Slough (Fiona Mactaggart), highlighted one of the difficulties: many disabled candidates, apart from those who have an obvious and visible disability, do not think of themselves as disabled, as the hon. Member for Slough suggested, or do not want to disclose their disability, either for fear of others' reaction, or because they do not think that it is relevant.

One of the challenges for us all, therefore, is to assess how many disabled Members of Parliament there are already. I think that it is more difficult for candidates who are trying to get selected, or trying to persuade the electorate to vote for them, to take the step of saying that they have a disability. Many do not want to be pigeonholed as caring only about that. As a result of the prejudices that people still have about whether people with a disability are up to the job, candidates do not want to show a sign of what they think others might perceive as weakness. Sometimes, therefore, it is only when people get here—once they have established themselves—that they can be more open about having a disability.

The issue makes a difference. In a Westminster Hall debate last week, the Under-Secretary of State for Work and Pensions, the hon. Member for Chatham and Aylesford (Jonathan Shaw), who is Minister for disabled people, and I were talking about the number of people with a disability working in Government, and I highlighted the relatively small number—about 3.6 per cent.—with a declared disability. He said that in anonymous surveys in the Department for Work and Pensions, the figure is about 13 per cent. That suggests that something in the culture of organisations leads people not to be comfortable with openness on that issue. We must think about that. There are role models who have visible disabilities, but we need to think more creatively about how to get people with an invisible or hidden disability or health condition to talk about it more openly.

There are a few recommendations in the report about accessibility. One is about making campaign documents more accessible, and I am pleased that in this election and future elections, the Conservative manifesto will be available in a range of formats—Braille, large print, audio and easy read—to ensure that people with learning disabilities can read about our policies and make a judgment about them. I do what I can, country-wide and in my constituency, to encourage people with learning disabilities to take part in the political process by coming to debates, meetings and question and answer sessions with their elected representatives, and by voting. I am sure that that is something that all Members of Parliament do.

One specific recommendation that the hon. Member for Aberdeen, South, mentioned was an "access to public life" fund; that draws on work by Scope. I am pleased to tell her that the Conservative party is signed up to the idea. We published our commitment to it in January, and have said that if a Conservative Government were elected, we would put in place such a fund for disabled people seeking elected and appointed office, in

[Mr. Mark Harper]

recognition of the fact that increased costs are involved. That is about levelling the playing field, not giving advantage. The hon. Lady mentioned some of the extra costs, and we are keen to make sure that people from all sorts of backgrounds have an equal opportunity to take part in the process. It is very expensive, and those seeking office need to be dedicated, but those who are disabled should not be further disadvantaged.

The hon. Lady discussed section 141 of the Mental Health Act 1983, and the hon. Member for Slough talked about it at length. I agree with them. We have made some progress, but it is disappointing that we did not have the opportunity to change the law when the Constitutional Reform and Governance Bill was going through Parliament. I tabled new clause 1 to that Bill, but after a number of conversations with Ministers and the Justice Secretary, I found I could not quite persuade them to go all the way in backing it. However, the Government have formally agreed that the current situation is untenable. My party has agreed that we should change the position.

I rather agree with the hon. Member for Slough; I do not really see why we need to have a process in place for dealing with people with a physical or mental incapacity before we get rid of section 141. I would rather get rid of it and then assess whether a process is needed for dealing with incapacity, but the Government took the view that they would rather put the process in place first. I have written to the Chair of the Select Committee on Justice, and asked for the matter to be considered. He said that it will be on the agenda for urgent consideration by the Committee in the new Parliament, and I hope that that will happen, and that a process will be set out for dealing with situations in which someone has either a physical or mental incapacity.

We deal well with physical incapacity informally. Parties have mechanisms for ensuring that constituents are still represented, that parliamentary work can be done, and that Members' staff can continue their work. It would not be awfully difficult to make those mechanisms work equally for mental incapacity. It may be that we simply need to get that written down, and establish a process. I hope that whoever wins the general election will take the first available opportunity to change the law, to make it clear that we welcome people in this House who have a physical or mental disability, and do not discriminate against those with mental health problems.

Finally, I want to touch on the issue of ensuring that Parliament is relevant and that we connect with people. I find from talking to young people in my constituency that, despite what people say, they are very engaged with issues and care passionately about their local environment, their country and many global issues. Often, however, they not do connect their concern, their passion and their wish to change the world with this place, or with politics. They do not connect the campaigning and the wish for change with getting involved with a political party, or standing for office. The hon. Member for Keighley (Mrs. Cryer) touched on that when talking about women's groups. Perhaps that is one of the things that we need to change.

Finally, I agree with what has been said about the expenses regime. I was not quite sainted by *The Daily Telegraph*, but I was cleared by Legg and did not have to pay anything back. Although I do not tick some of the diversity boxes, I do not come from a wealthy background. My father had a manual job, and my family has no history of politics; I would not be here if there were not financial arrangements to permit it. We do not want to go backwards. Remarks made today about ensuring that the expenses regime allows a diverse set of candidates, taking account not only of gender and colour but of financial background, are a welcome reminder that the Independent Parliamentary Standards Authority should bear those issues in mind.

10.50 am

The Minister of State, Ministry of Justice (Maria Eagle): I congratulate my hon. Friend the Member for Aberdeen, South (Miss Begg) on securing this debate. She will have gathered from the reaction of the House that we are all grateful for the work that she and her colleagues working on the Speaker's Conference have done. Today, she set out some important points that we need to take into account when implementing the conference recommendations; we all need to work together, whether as political parties, as a Government, or as a Parliament.

I was heartened to hear the general acknowledgement across the parties that we all have an interest in dealing with the matter. Diversity is not merely political correctness for its own sake, or some kind of game, but is a fundamental part of ensuring that our democracy is as representative as it can be, and does the job that it needs to do as well as it can. Ensuring diversity should take us closer to the people who send us here, because it would make us more representative of them.

This is not a matter of arithmetic correctness; it is not that we want 50 per cent. of those in Parliament to be women because women are 50 per cent. of the country. It is about properly representing the lives and experiences of all our constituents in a way that enables our democracy to see our society, and to change it according to the needs of those who live in it. One does not often read about the issue in newspapers, which sometimes categorise it as political correctness gone mad, but as we heard today, all parties recognise that diversity is important, because it improves, strengthens and deepens our capacity to represent the people. I welcome the acknowledgement of that by all parties.

We obviously want to see improvement across all parties. I am proud and pleased that the Labour party has pioneered improvements to increase diversity, and the Government have an excellent record in that respect. I do not pretend that we are there yet; indeed, the numbers indicate that we are not. After all that we have done, women still form only 19.5 per cent. of the total membership of the House. That is nowhere near good enough, as all of us recognise.

I have been a member of the Labour party for a great many years, and my experience is that these issues have to be addressed, and then addressed again; that pressure has to be kept up. The changes do not happen naturally. It is not enough to change behaviour in a one-off way, and then expect everything to work out. The issues need to be worked at, and the Speaker's Conference acknowledges that. I hope that those who respond to the conference findings recognise that, as do the Government. Political parties and Parliament itself should realise that ongoing work is needed. Only through ongoing work will we be able to tackle the problem and get to where we wish to be on diversity.

My hon. Friend spoke of disability and her experience as a disabled Member of Parliament. Her comments were extremely thoughtful and insightful, as one would expect. It is important that we continue to ensure that more disabled people become Members. As the hon. Member for Forest of Dean (Mr. Harper) said, it is not right to require people to declare their disability. If society had learned to deal with disabled people in a completely equal way it might be fair enough to ask people to declare their disability, but until that day, it is not right that we should enforce declarations. That is because of all the connected issues that can arise in respect of people's attitudes and assumptions about what disabled people can and cannot do. I was Minister for Disabled People for four years, and had the opportunity to consider policy making on that subject. I decided that declaration was not something that should be required of the disabled.

We need to find a different way of making ourselves more disability-friendly. For help with that, we need to turn to the disabled people who are already here in Parliament; they have the life experience, and they know what needs doing. We should listen to them closely. I hope that my hon. Friend is re-elected, so that she can continue her pioneering work. If she is, she will make a great contribution.

My hon. Friend the Member for Keighley (Mrs. Cryer) made some extremely important points. She stressed again why diversity matters. She set out the clear example of the forced marriages legislation, and spoke of the difference that she had made, a woman MP listening to women in her constituency whose voices were rarely heard. She started listening to them, and then came to this place. With force, through pressure and ongoing work, and helped by those women, she made a change that mattered a great deal to them. That would not have happened had it not been for her efforts, and had she not been aided and helped by other women in this place who understood the importance of their help. They knew that the issue had been too low on the list of priorities, and recognised that she needed their support. Women in Government and among policy makers recognised that, too, and ensured that the issue was given higher priority than it might otherwise have been given.

That is a practical example showing why we need diversity in this Parliament of ours, and why we need more women, and more people with experiences other than the dominant ones of being relatively well off, well educated, middle-class males of a certain age. We need those people, but we also need more from the under-represented groups in this place, and my hon. Friend set out the value of achieving diversity better than I could have done. She also set out the improvements that that would make to the relevance of this place and to our capacity to do our job for our constituents.

My hon. Friend the Member for Slough (Fiona Mactaggart) made some strong points based on her experience and her disability, and about the priorities that led her to do the work that she has done. I congratulate her not only on what she has done for the conference, but on what she does, day in, day out, for the women in her constituency and the nation.

I wish the Opposition parties well in ensuring that their diversity increases. That is something that we should all be doing. My Department, the Government Equalities Office, undertook an opinion poll for international women's day, and we should consider it. As many as 73 per cent. of people think it important that women and men should have an equal say on political decisions that affect how Britain is run, and 82 per cent. think that the presence of women MPs helps to ensure that our policies and laws reflect the needs of women as well as men. However, only 75 per cent. think that it is important that women and men should have an equal say on international political decisions, so we have some work still to do on that. Increasing diversity in that way is popular; it is not a fringe issue. It is not something that we should do only when we have finished all the other things that need to be done. We need to put the issue at the centre of how we do our politics.

In the coming period and the election, I hope that the Opposition parties will get better representation for women and other minorities. I hope that they do not then assume that the work is over, and that they do not have to do anything more. The Labour party has led the way in that respect. We know that we still need to work hard. We need to carry on. I am pleased to say that whatever the swing in the next election, the parliamentary Labour party will have a greater percentage of women members. One can never tell what the numbers will be, but the percentage will be greater. However, we need more progress all round.

High Speed Rail (Government Policy)

11 am

Mr. Eric Martlew (Carlisle) (Lab): I am glad that you are in the Chair, Mr. Illsley. Perhaps we will not have any instances of mistaken identity today, which is something that can happen. As I am sure you are aware, a number of hon. Members who wanted to attend this debate are not here because of confusion over timing. Apparently the usual channels collapsed, and the debate was on the Whip as being at 2.30. Those who wanted to be present are probably on the west coast main line right now.

I welcome the Secretary of State's announcement on 11 March about the high speed line. If I have become an expert on anything over the past 20 years, it is probably on the railways. I have chaired the all-party parliamentary groups on rail and on the west coast main line for about 15 years. The Secretary of State's announcement came as a bit of a surprise, because the Railtrack proposal had been to take the line up to the west. The idea that the line should go to Birmingham and then fork up to the eastern side must have pleased you, Mr. Ilsley, because it will go to Leeds, Sheffield and on to Newcastle. The west fork, of which I am more aware, will go to Manchester and, eventually, to Glasgow. It seems a very sensible way in which to carry on.

The trains will eventually travel at about 250 mph—initially, though, speeds will be closer to 225 mph—which will bring the country closer together. Members who represent areas that will be affected by the line but may not benefit from it may want to ask why we need a high speed line. Whether we like it or not, the reality is that the number of people travelling by railway has increased over the past two decades. That may be down to privatisation or to the fact that the motorways are congested. The west coast main line, especially south of Birmingham, is now running short of capacity.

It is easy to know when we are running short of capacity on a motorway because things do not move. It is more difficult for the public to know that the railways are running short of capacity, because all they see is an empty track, which leads them to think there is plenty of room there. For safety reasons, however, the trains have to run a certain distance apart, so extra trains cannot just be added. People might say, "Why don't you put extra carriages on?" If we did that, the trains would not fit the platforms any more. Then, of course, we have the problems at peak times. We are getting to a point—we have probably reached it in some areas of the south-east—where we are suffering from severe overcrowding, so we need to build a new line. If we are going to build a new line, we must build one for the future, not the past. A new line is needed, so we will build High Speed 2, and that is what the Government have agreed to.

My understanding is that once we get to Birmingham there may be some arguments about where the line should go, and I will come to that later. Everyone is in general agreement that the line should go from London to Birmingham; the Liberal Democrats and the Conservatives are agreed on that. However, will the hon. Member for Wimbledon (Stephen Hammond) clarify one point? About three years ago, I visited China with the hon. Member for Epsom and Ewell (Chris Grayling), who was Front-Bench spokesman on the railways. He had great enthusiasm for Maglev, the magnetic train that runs from the airport to Shanghai. Has the party changed its mind about that and does it now favour going back to the traditional rails?

Stephen Hammond (Wimbledon) (Con): I am happy to clarify that point. My hon. Friend the Member for Epsom and Ewell (Chris Grayling) did suggest that we should investigate the possibilities of Maglev travel, but I think he was considering it for shorter distances. People do not seriously expect that a new high speed line would be run on anything other than the high speed technologies that are available in the continent of Europe, the far east and other such places.

Mr. Martlew: That clarifies matters. I was not trying to make a political point; I just wanted to know what the position was.

Let me concentrate on the classic railways for a moment. I get the feeling that because the Government want to promote the new high speed line, they have been indicating that the money spent on the upgrade of the west coast main line—they spent £9 million, as opposed to the £30 billion proposed by Railtrack—has not been well spent, and that the upgrade created a great deal of disruption and will prove to have been unnecessary if we go ahead and build a high speed line. The reality, however, is totally different. The west coast main line had been neglected for nearly three decades. Some 75 per cent. of the money spent on it was not for an upgrade, but for necessary renewal work. If we are talking about a high speed line not reaching Glasgow for 25 years, then we should be talking about not only maintaining the west coast main line but making major improvements to it. For example, there is a need for block signal systems, or in-cab signalling, which will increase the capacity on the line by allowing trains to travel closer together. Such a device would help capacity problems in the short term.

The other issue is that although the Pendolinos are restricted to 125 mph, they can travel at 140 mph. In parts of the west coast, where there has been very little investment, we could increase the speed of the Pendolinos to the maximum and reduce journey times from Glasgow to Carlisle to less than four hours.

The Parliamentary Under-Secretary of State for Transport (Chris Mole): Does my hon. Friend not agree that one of the challenges of upgrading the west coast main line has been trying to do the work at the same time as trying to maintain an increasingly busy service, which is moving towards full capacity, as he has already mentioned? The joy of being able to promote the high speed network is that that delivers capacity without disruption to the existing lines and services. As some of the traffic moves from the west coast main line to High Speed 2 in the future, my hon. Friend's suggested upgrades should be able to take place with less disruption to passengers on the west coast main line.

Mr. Martlew: I agree with the Minister. I bear the scars of many a bad journey on the west coast main line. I will come back to that point, but I am not sure whether disruption can be avoided. We need a high speed line and we need to maintain the classic lines. I

am sure that the constituencies of a number of Members here will be affected by the high speed line, but will not get the benefits from it. I am sure those Members will make representations, which is only right. It is also only right that the Government should listen to those representations and do everything they can to reduce the environmental impact of the new line on those communities. However, it would be wrong if the decision to build the line were blocked because of the opposition from Members representing their constituents. I have no doubt they will be representing their constituents—I have done so myself, on other issues—but the reality is that the country needs a high speed rail line. We have one from the channel tunnel to London and we need one that goes to the north of England and to Scotland.

Dr. Andrew Murrison (Westbury) (Con): I apologise to the hon. Gentleman for having missed the first part of his speech. I agree with him entirely that the line must not be blocked, although some colleagues will of course argue, from the point of view of their constituency, against it. However, does the hon. Gentleman agree that it would be a great pity if the improvements to the "classic lines" that he referred to—the provincial and regional lines—were derailed, as it were, by the high speed train? I am obviously thinking in particular of the south-west. In the Minister's recent oral statement in the Chamber on high speed rail, he was unable to assure me that money would not be simply diverted from other rail schemes that are much needed elsewhere into high speed rail, which would obviously degrade our national rail network considerably.

Mr. Martlew: I agree totally. One of the issues I will not talk about today is the financing of the high speed rail line; however, I got an indication yesterday during the continuation of the Budget debate that the Conservatives were suggesting they were going to take another £6 billion out of transport. If so, the hon. Gentleman will have great difficulty in getting any rail improvements in his area. *[Interruption.]* The hon. Member for Wimbledon makes a comment from a sedentary position. Does he wish to intervene on that point?

Stephen Hammond: Can the hon. Gentleman tell us which part of the 17 per cent. of funding over three years this Government are already taking out of transport, before he makes wild speculations about "£6 billion"? Exactly how much—£9 billion, £10 billion, £12 billion, £20 billion or £25 billion—will this Government take out of transport spending?

Mr. Martlew: I am afraid that that is what gives politicians a bad name—answering a question with another question.

I would like to continue before we get too deeply involved in that matter. There are issues that I do not want to get involved in today. What matters is the high speed rail link and whether it should go to Heathrow. That issue will be debated at length—will the high speed line link with Crossrail, or will it go directly to Heathrow? I am conscious that others want to speak about that, so I do not want to go into it myself. I know that I have already trod on somebody's toes on funding, and I do not really want to go into that, either, other than to say that the money for high speed rail should not come from classic lines.

Chris Mole: The hon. Member for Wimbledon (Stephen Hammond) asked a legitimate question and at the risk of offending my hon. Friend, may I answer the question from the hon. Gentleman with another question to my hon. Friend? Where does he think the majority of his constituents who would benefit from reduced journey times to London would want to go? Would they want to go to London as a city, or to Heathrow airport? Furthermore, does he think they would be put off by a diversion that added time to that journey to London by going via Heathrow airport?

Mr. Martlew: The reality is that traditionally people from the north-west have come into London via Euston, without diverting to Heathrow. Of course, if someone is living in the Manchester area they will use Manchester airport for air travel and therefore they will not want to go into Heathrow at all. I think that that answers that question.

I also do not want to go down the road of considering whether high speed rail will be beneficial in terms of carbon dioxide emissions. I think that we will get people coming out of cars and on to the train, but we must also remember that the faster a train goes the more energy that it will use. So I think that those benefits of HS2 will probably be about carbon-neutral overall.

However, there are issues that I want to raise. The Minister made a comment that a new line would not create disruption. I am very pleased that the Government have decided that the high speed trains should come into Euston, because traditionally that is where the trains have come into London from the north-west. Nevertheless, there are two points to consider. The first is that I suspect that there will be disruption when we start to build the new platforms in Euston, which is something that we will look forward to particularly. I also wonder whether the scheme that the Government have chosen will provide enough new platforms. If we get things wrong and we have a bottleneck at Euston, it will be decades before we put it right.

There is a second issue about trains coming into Euston. People get off the train at Euston and they go on the tube. The tube is desperately crowded now. So, if we are going to bring the high speed trains into Euston and, consequently bring more people into Euston, remodelling Euston in the process, we need to do something about the tube. That is the other issue that we need to discuss.

Chris Mole: I would just like my hon. Friend to reflect on the benefits of the potential west London connection that is proposed as part of HS2, at Old Oak Common to the Crossrail link, which would encourage many people coming into London via high speed train to reach their final destination by changing at that point, rather than having all those people come into Euston, where we understand that there are clearly capacity limits on the interchange with some of the existing tube lines.

Mr. Martlew: I accept what the Minister says and perhaps I had not taken that point into full account.

The other development that would obviously be of great benefit would be if some of the high speed trains on HS2 could go straight to St. Pancras station and

[Mr. Martlew]

then people could travel on HS1 into Europe. Hopefully, we will look at that issue; we will probably have a little time to look at it.

The other general issue that I want to discuss is the rolling stock issue. It would appear that we are going to have a high speed line to Birmingham and then classic lines to the north-east, the north-west and Scotland. I understand that the report on HS2 says that slow trains should not go on the high speed line. Therefore, the 140 mph Pendolino trains will not be allowed on the high speed line. That means that we will have to build new rolling stock—new trains—to run on both the high speed line and the classic line. However, I am not sure that it is a good match. In an ideal world, the Minister and the Government would not want to do that.

So I want to ask the Minister a question: will the trains that run on the classic lines off the high speed line be tilting trains? If they are not tilting trains, that will actually slow down the journey time on the classic lines, for example between Glasgow or Edinburgh and Preston. If they are not tilting trains, the trains will be slower than they are now, even if they will speed up when they get on the 90 or 100 miles or so of track from Birmingham down to London. So that is an issue. Then, there is the issue of what will happen to the Pendolinos. They will probably be 25 years old by the time that the new high speed line is built, but they will still have a remaining life of 15 to 20 years. Somebody needs to say something about that issue.

I want to discuss the construction of the high speed line itself. I accept the timetable. I know that the Opposition would like to do it sooner, but I do not think that we will get the Bills and the planning inquiries through and start work before Crossrail finishes in 2017, so we would have to start in 2018. I think that we are talking about 2026 before HS2 is completed—is that right? So will construction on the lines further north begin before that time, or are we going to wait until we get to Birmingham and then start construction further north?

Alternatively, if there is a bottleneck, for example, at Stafford, and if it is decided that there should be a bypass around Stafford, will that bypass be built to high speed line standard? It would make sense to do so. If we look at the motorways, the first part of the motorway system was built 50 years ago and it was the Preston bypass, which is now part of the M6. Those are the sorts of things that we need to consider.

Frank Dobson (Holborn and St. Pancras) (Lab): Given these amazing time scales, my hon. Friend might be interested to know that the original Camden Town to Birmingham railway, which was then extended to Euston, was completed—that is, from the cutting of the first sod to the first train going to Birmingham—in less than three years.

Mr. Martlew: I understand that and I know the reason why; it was because the vast majority of the people in this country at that time did not have a vote. *[Laughter.]* That was the reason why.

Frank Dobson: They did have a shovel.

Mr. Martlew: There is another point about building the line. I notice that my hon. Friend the Member for Central Ayrshire (Mr. Donohoe), an hon. Member from Scotland, is in Westminster Hall today. Whose responsibility is it to fund the high speed line in Scotland? Transport is a devolved matter. It might be difficult for the Scots to find the full amount of money required, but would it be possible for them to start building their part of the line before the rest comes from the south? Such issues are probably not for today, but they must be discussed.

I am going to make the case that the train should stop in Cumbria, at Carlisle. Hon. Members will say, "Well, he would say that anyhow, as he's the MP for Carlisle," but there is a lot of logic in the suggestion. Network Rail's proposals said that the train would not stop in Cumbria. The Government are silent on the matter; their proposals say that intermediate station stops will be decided later. Not stopping does not seem sensible.

I know very well what the Conservative policy is. It is not an issue in Cumbria, because it involves taking the high-speed line to Manchester, turning right, going to Leeds and continuing up the east coast. Stopping at Carlisle would not be an issue because the line would not go through Cumbria at all. It is not a case that I would like to defend to the Cumbrian electorate, but that is a matter for the Opposition.

We are building a line—or, to be emotional, putting a scar—through 90 miles of Cumbria that will run through parts of the Lake district and the Eden valley, some of the most beautiful countryside in England, without stopping. The Cumbrian west coast is a centre for the nuclear industry; it is an issue that I know well. It has Sellafield, and there are plans for three or four new nuclear power stations. If there is to be a deep nuclear repository, it is likely to be in Cumbria. Because the people of Cumbria are used to working in the nuclear industry and understand it, they are likely to be the only people in this country who will accept it. We are saying to them, "By the way, we're going to build a line through 90 miles of Cumbria, but we're not going to stop." That is not a good argument.

The county is united on the matter. I wrote to the six district councils, and they all agreed; it is the first time that they have ever agreed. The county council agreed with them. I wrote to all the MPs for Cumbria—four Labour, one Conservative and one Liberal Democrat—and they all agreed. I wrote to my hon. Friend the Member for Dumfries and Galloway (Mr. Brown), who is sorry that he could not be here today. He is totally supportive. I wrote to the hon. Member for Hexham (Mr. Atkinson), and he is supportive. I wrote to the shadow Secretary of State for Scotland, the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell), whose constituency will be affected, but he did not reply; I suspect that he is a bit embarrassed by his party's policy.

The politics of not stopping in Cumbria are daft, and the economic case is even dafter. It is proposed to run a train 200 miles from Manchester to Glasgow, through an area that has traditionally been a railway centre, without picking people up, dropping them off or collecting a fare. At the moment, only one train a day goes through Carlisle without stopping. It is a major transport centre, because of the geography of the area. Ignoring the south of the county, which will not use the Carlisle

train, there are probably 350,000 people in the north, west Cumbria, Penrith and Carlisle who would be served. In the east, there are probably another 40,000 for Northumberland. In Scotland, there are probably another 150,000. Although Carlisle is the last city in England, it is the first main line stop in Scotland, because people get off there to go to Scotland. There is an economic case for stopping in Carlisle; I am sure that the people in south-west Scotland are in favour of it.

The other thing that people forget is that the shortest route from Northern Ireland is via Carlisle. People coming across either catch the train from Stranraer or drive to Carlisle and get on the main line. Carlisle serves more than 500,000 people and three countries. It is nonsense not to stop there. However, I am pleased that the Government have not said that they will not.

In conclusion, for many years, we will have a classic line down to Birmingham and Manchester. During that time, the trains will stop at Carlisle. After the high-speed line is in place, it will not make sense not to stop there. It is politically unacceptable and economically daft. I look forward to seeing the high-speed train stop at Carlisle, as it will mean that I am 86.

I suspect that this will be my last speech in Parliament. I hope that the Minister hears it. I suspect that he will not be in the same job by the time the train stops in Carlisle, but I am sure that he can speed it on its way.

11.26 am

Tony Baldry (Banbury) (Con): The hon. Member for Carlisle (Mr. Martlew) put his case well, highlighting the point that although everyone wants a high-speed rail station, no one is particularly keen on the track. It is a classic example of the conflict between local concerns and the national interest. That is not unusual in infrastructure projects.

It is slightly ironic that we are debating high-speed rail at a time when the first major rail strike and disruption for a considerable time is about to start. I am sure that I am not alone in hoping that even at this stage, through the good services of ACAS or in some other way, the National Union of Rail, Maritime and Transport Workers will call off its strike, because it will be disruptive to huge numbers of people. It is very unfair that such things always happen on bank holidays, when many people go to see their families by rail. Every time it happens, it undermines confidence in rail as a means of travel. It is extremely frustrating.

Will the Minister flesh out the exceptional hardship scheme? Perfectly understandably, Ministers arranged for the publication of only one preferred route. That obviously makes some sense. Clearly, if a number of alternative routes were published, it would simply increase the number of properties blighted along the various routes. However, I am sure that he will understand that for the householders and landowners who woke the other day to discover that the high-speed route would go through their property, it is a matter of concern. It is also of concern for those whose properties are next door to the route. Such circumstances occur. One property in my constituency is a disused railway station that has been next to a disused railway line for a long time. The prospect of a high-speed rail link going immediately past the house will blight such properties.

The Government have clearly assessed how many properties will be blighted in that way, because the White Paper uses the number 600. I suspect that a significant number of those are in London, where a new path will have to be created for the high-speed rail link to leave the city. The number of properties likely to come within the ambit of the exceptional hardship scheme elsewhere along the proposed route cannot be very great. I put that point to the Minister of State at Transport Question Time the other day.

It cannot be beyond the wit of man and woman for officials in the Department to get in touch directly with each household on the route and ensure that they know about the exceptional hardship scheme. It must be known which properties will be affected. I find it strange that details of the scheme have been advertised in local newspapers in Buckinghamshire, but not, as far as I can see, in Oxfordshire, even though a chunk of the route goes through my constituency, which definitely is and always has been in Oxfordshire. It must be possible to explain to the householders exactly what is being proposed, especially as construction on the high speed link is unlikely to start until 2017. Between now and then, many people may understandably want to sell their properties at the proper market value under the exceptional hardship or statutory blight schemes.

It would be extremely helpful if the Minister and the Government set out the proposed timetable and the various mechanisms that will be used. There will clearly be a lengthy consultation process, which is sensible. The Government have learned that it is sensible to make such processes as judicial review-proof as possible. On the comments of the right hon. Member for Holborn and St. Pancras (Frank Dobson), when the railways were built originally, lawyers were not so quick to rush to the courts for judicial review. Ministers in the Department will have realised only last week that if they cut corners, as they sought to do with the third runway at Heathrow, judges will tell them to go back and start again. There must be more haste and less speed. It is sensible to ensure that there is plenty of time for the consultation process.

I suspect that two things are likely to emerge from the consultation. First, there will be a number of suggestions about how the existing preferred route might be mitigated to avoid certain towns and properties through tunnelling or other mitigating features. Secondly, there will be suggestions for different lines of route, perhaps going towards Milton Keynes. As we are coming up to an election and are likely to be asked about these matters on the doorstep, perhaps the Minister could explain how the Department envisages such matters being dealt with. Will the final preferred route be decided on by Ministers or by a planning inquiry? What statutory procedures will ultimately be used to take the project forward? A balance must be struck between protecting the legitimate interests of people whose properties and communities might be affected and ensuring that Britain gets the high speed rail link that it needs in a timely fashion.

It is well known that the Opposition believe that the high speed rail link should be extended. It should run not just between London and Birmingham, but should link up to other major cities such as Manchester and Leeds, and to Heathrow. One of the most important benefits that the high speed rail link could bring people

[Tony Baldry]

in the west midlands would be a link to the UK's main airport hub. Without that, they do not feel that it will be of the same value because it will just go between Birmingham and London.

It would be extremely helpful if Ministers did two things this side of the election. First, they could ensure that officials or the company concerned get in touch with householders who might be directly affected by the exceptional hardship scheme and discuss with them how it will operate. I understand that there has to be a consultation on the exceptional hardship scheme to make sure that it is judicial review-proof as well. However, it would be helpful to give householders an indication of the likely timetable for the exceptional hardship scheme so they know when it will kick in. Inevitably, some families would have been in the process of selling their homes when they found themselves caught up in this scheme. I know of one such family in my constituency, who are now finding it difficult to sell their home. Such households are anxious to know when they will be able to sell their homes and benefit from the exceptional hardship scheme. It cannot be beyond the wit of the Department to carry out the straightforward exercise of telling those who will be most directly affected how their interests can be protected.

Once that is done, everyone else can sensibly engage in the consultation process about whether the existing preferred route or possible alternative routes would be best. It would also be helpful if the Minister set out clearly for the House the timetable he envisages for between now and when it is hoped work will start in 2017, including the various steps of consultations, inquiries and statutory measures such as legislation.

11.36 am

Frank Dobson (Holborn and St. Pancras) (Lab): I will start by being extremely parochial. I believe that Britain needs a high speed train network, if only to bring about a massive reduction in the harmful number of short-haul flights. I am pleased that High Speed 1, the channel tunnel rail link, comes into St. Pancras. It is greatly to the credit of this Government that they spotted that it made no sense to have the channel tunnel with no rail link and built that link. I welcome the Government's grasp of the need for a high speed network. However, to be parochial, I cannot support the scale of the work proposed at Euston.

That area, which I represent, is densely built-up and populated. The railway engineers are treating it like a greenfield site. The proposals will involve massive demolition that will affect various office blocks, a couple of hotels, a couple of warehouses and, more importantly, the homes of about 350 people. They will also involve concreting over about two thirds of a local park. It is clear from looking at a map of Euston station or from going there that there is a huge amount of wasted space in its curtilage. The railway engineers therefore need to take a much more imaginative approach and not think that they can just draw a line on the map and decide that they will get the necessary land.

There is a wider concern. A group of railway engineers believes that Euston is the wrong station and that it would be better to bring the proposed link into Paddington. That would involve far less tunnelling, which is an expensive item, would remove the need to build a new station at Old Oak and would automatically connect the high speed link with Heathrow via the Heathrow Express and Crossrail, neither of which run through Euston.

I believe that the Government should take a wider look. It is not reasonable for them to say that they have looked at the matter secretly and that the idea they have come up with is the only thing anybody can consider. The first thoughts are not always the best. I remember when probably the self same engineers proposed that the channel tunnel rail link should come into a huge cavern to be excavated under King's Cross station. Local people denounced that as barmy, which was eventually accepted. I can reasonably claim to be the first person who suggested that High Speed 1 should be brought into St. Pancras station instead, which has been a great success.

However, there is an even wider consideration. Personally, the more I consider the concept, the more dubious I am about a Y-shaped network, with a single stem or leg proceeding from one station in London up to Birmingham, before rightly branching out and dividing, with one arm of the Y going to the north-west and the other through the east midlands to the north-east. Is having just one leg coming into London—only one route in and out—sensible? If anything were to block that route, the whole high speed network would, in effect, cease to exist. That could be the result of a major accident or, sadly, of terrorist activity blowing up part of the stem. If that were to happen, the network would cease to function.

I accept that connections between east and west are a good idea, so that people coming from the north-east can get to the west midlands and, similarly, people coming from the north-west can get to the east midlands. That is a sound idea. However, the letter X has a lot more merit than Y—two connections into London stations, rather than a singular, monopoly connection into Euston. As my hon. Friend the Member for Carlisle (Mr. Martlew) mentioned, facilitating a direct connection with High Speed 1 would then be possible, which would be another merit of the system.

Sir Peter Soulsby (Leicester, South) (Lab): On the shape, would my right hon. Friend agree that the difficulty with a Y-shaped link is the potential for downgrading the midland main line to little more than a commuter line? Such a case would significantly disadvantage people in the east midlands.

Frank Dobson: I accept my hon. Friend's point. However, a new high speed link could have that effect on various parts of the existing system—which my hon. Friend the Member for Carlisle mentioned—particularly if there were not the investment.

I say to my hon. Friend the Minister that the proposals for Euston are not satisfactory, but are grotesquely in excess of what is necessary. The Government should at least give us the case for rejecting the Paddington idea, which I believe was considered. More fundamentally, they need to take a serious look at whether the concept of having the only connection to the high speed network coming into one station in London is sound, safe and secure. The Victorians were bad at some things, but they were good at building railways—although they always went broke afterwards.

11.44 am

Jeremy Wright (Rugby and Kenilworth) (Con): I congratulate the hon. Member for Carlisle (Mr. Martlew) on securing the debate, which is on an important subject. I agree with a great deal of what he said and, somewhat disturbingly, with quite a lot of what the right hon. Member for Holborn and St. Pancras (Frank Dobson) said.

Quite a lot of the constituency that I represent—even more after the boundary changes, I hope—would be cut through by the proposed route for High Speed 2, so I have a direct interest in the subject. None the less, I support the principle of a high speed rail link between London and Birmingham for the reasons given by the hon. Gentleman. We will have capacity problems on our existing railway lines, whether the west coast main line or the Chiltern line, by 2026 when we hope the new line will be operational. I also agree with him that it is sensible, therefore, to plan for a railway line for the future, rather than one for the past, with a high speed railway line.

Support for the principle of a high speed rail line, however, must be conditional on certain things. First, having a line simply between London and Birmingham is not adequate—it must go further north than Birmingham, whether as a Y-shaped or an X-shaped structure. The new line must connect to Heathrow, although as my hon. Friend the Member for Wimbledon (Stephen Hammond) has already made clear, it would not be a choice of either central London or Heathrow but would include both. In the same way, current plans make no choice between Birmingham city centre and Birmingham international airport, but include both.

Thirdly, and perhaps most importantly, the High Speed 2 line must connect directly to the High Speed 1 line because—again as I think the right hon. Gentleman said—one of the primary arguments that I find persuasive in favour of a high speed rail link in principle is the opportunity for us to use that railway line instead of getting on a plane for a short-haul flight. It seems unlikely that we would succeed in persuading potential short-haul air passengers to use a high speed rail link instead unless they can travel directly from Manchester or Birmingham through London and the channel tunnel to Paris, Brussels or wherever their eventual destination might be. The link between the points at which High Speed 2 enters London and High Speed 1 leaves London would be crucial in persuading potential air passengers to use the train instead. For me, and for most Members of the House and indeed most of the Government, that is one of the best arguments for a high speed rail link. I note from the document and the Government's Command Paper that they have asked High Speed 2 to look at the possibility of linking the two directly. I hope that the Government will go further than that or, if they will not, that the next Government will go further than that, and make it clear that the project does not stack up or give us all the benefits it ought to unless we make that direct link.

My second point is about the route. I am interested in the route laid out by the Government, for the reasons I set out at the beginning. The first question of my constituents, certainly those directly affected by the Government's proposed route, is why on earth the high speed rail line cannot go along an existing transport corridor. It has already been said that there will be considerable damage done to open areas of the British countryside, through Buckinghamshire, through Oxfordshire, as my hon. Friend the Member for Banbury (Tony Baldry) said, and through Warwickshire—most importantly from my perspective. If such a case can be made, part of the case must be to explain clearly why the railway line cannot follow either a motorway corridor—for example, the M1, which would be the Milton Keynes link mentioned, or the M4 corridor—or follow an existing railway line such as the Chiltern line. A number of existing transport corridors could be followed predominantly. The advantages are obvious: we would not be cutting through virgin territory, as it were, but through areas already affected by a major transport link and, therefore, the environmental damage would be less.

The answer to why an existing corridor cannot be used may very well be that, from a technical perspective, we cannot get a straight enough railway line to carry trains at the required speed unless we build a brand-new railway line across a completely different part of the country. I am in favour of a separate set of tracks, for the reasons of future congestion given by the hon. Gentleman. However, we shall have to explain clearly to my constituents and others why we cannot use an existing transport corridor.

If the Minister's answer is, "Ah, yes, but you cannot run a train at 250 mph along a very winding piece of track and, if you put it alongside an existing transport corridor, that's what would happen," the next question would have to be why 250 mph was the magic number. Exactly how do we work out what time savings are involved in a train going at 250 mph? However, I note from the Command Paper that a train travelling at 225 mph is far more likely, even though the capacity of the line is for 250 mph. If that is the argument, I hope that the Minister can assure me about the technical information required to match up the straightness of the line with the speed at which a train can travel along it, and whether time savings would be inadequate if the trains did not travel quite as fast.

I hope all that information can be made available to us, so that we can understand exactly what the argument is. Many of my constituents accept the logic of a high speed rail line in principle, but do not follow why we are cutting a scar through a great deal of virgin countryside to achieve it, as the hon. Member for Carlisle said. How do we persuade those people—I have to say that, at this stage, I am one of them—that although we might slightly reduce the speed by having a few more curves, we could not still gain a significant time saving, which I accept is important? If we cannot do that, we need to know why. I hope that the technical information to support the Government's argument, if that is what it is, will be made available to us.

A further point is, again, about the existing route. I understand the Government's argument that they have not produced four or five potential routes for fear of blighting half of southern England in the process. However, it seems that if only one proposed route is produced, it suggests to those who live along that route that although the Government might not quite be concrete in their choice of route, they will certainly take a lot of persuading to move away from it. I find that concerning. I want to

[Jeremy Wright]

be reassured that if that is the case, the route has been proposed as a result of the Government having done their homework properly.

Having read the document—the Command Paper—very carefully, it seems that there remains a bit of undone work here. We still do not know exactly where all the listed buildings are. I know that because several constituents have come to me with a map and have shown me where the listed buildings are, and they are certainly not appearing along the route in the Government's documents. Conservation areas are also not comprehensively listed in the documents. It seems that we do not yet know where the oil and gas pipelines in the ground match up to where the proposed High Speed 2 route will go.

If there is more homework for the Government to do on the matter, is there not a danger that route 3 will be proposed and perhaps settled on, but we will discover later that it cannot be followed in its current form because of other factors that have not yet been considered? I want reassurances for my constituents that the consultation process allows for the possibility that the route can move substantially to follow a completely different corridor. If that is not possible and we can be persuaded that it is not possible, I want a reassurance that the route can move in various different ways throughout various parts of the country. Those different ways must be made clear, so that we know exactly why the Government have proposed the current part of the route to which we are referring.

In relation to changing the route, it might be useful to consider Stoneleigh. That is a good example because, as the Minister will know, Stoneleigh is specifically referred to in the Command Paper, as it is one of the places where the Government are not quite confident they have got the route right. That strikes fear into the hearts of my other constituents, because if the places they are concerned about are not mentioned specifically, the suggestion is that the Government are confident they have got the route right there. If we have not got all the information I referred to on the map and marked route already, how do I know that the Government have that part of the route clear in their own minds and can persuade us it is the right one? I also want reassurance that if we can make a decent argument for doing so, we can move the route so it goes the other side of the village or 100 yards this way or that way. I am assuming that that part of the argument will only be relevant if the Government can persuade us that their chosen route, rather than an existing transport corridor, is the right one.

I know that the Minister will accept there is a great deal of work yet to be done both by the Government and by my constituents to defend their interests in response to what the Government propose. We need absolute clarity from the start, first, that the Government have done their homework; secondly, if they have done so, that they are open to persuasion that they may have got it wrong and there might be a better route; thirdly, if there is no better route and this is the route that must be followed, we must be clear why they have chosen, for example, embankments not viaducts and cuttings not tunnels to reduce the environmental impact to the maximum effect.

Although I understand that there is a great deal more work to do and that more effort needs to be put in not just by the Government and High Speed 2, but by those who wish to change the route, it is important at this stage that we have absolute and clear undertakings from the Government that the route is capable of being moved if the arguments are powerful enough for that to happen. We also need confirmation that, within very short order, we will have all the technical information we require from the Government in order to mount a serious and sensible argument against the proposed route.

[Mr. David Wilshire *in the Chair*]

11.54 am

Sir Peter Soulsby (Leicester, South) (Lab): I congratulate my hon. Friend the Member for Carlisle (Mr. Martlew) on securing this important and timely debate, and on putting the case, as he has done on a number of occasions, for having services on the high speed line stop at and serve his constituency and surrounding areas. It is a powerful case, and he has again made it forcefully today.

Like other hon. Members, I very much welcome the Government's announcement of the High Speed 2 proposal. The Minister will perhaps not be surprised to hear that I wish to make the case for the classic network, and wish to press him to give an assurance again today that the very welcome investment in High Speed 2 will not be at the expense of much-needed investment in the classic network. Again, the Minister will not be surprised to learn that there is a particular part of the classic network that I want to ensure is not neglected as a result of investment in High Speed 2: I refer to the completion of the electrification of the midland main line.

As the Minister knows, the midland main line is already electrified as far as Bedford, but it is not yet included in the firm proposals for further electrification—proposals that are very welcome, particularly those for the electrification of the Great Western. It would be most unfortunate if, as a result of waiting for investment in High Speed 2, we were to lose out on that much-needed investment, which will bring faster journey times and considerable economic benefit to the east midlands and beyond, up to Sheffield.

As the Minister will be aware, the cost-benefit analysis of the investment in the electrification of that line is very positive. We need electrification of that line to be completed, not least because the High Speed 2 proposals—the Y-shaped link to which my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) referred—include a link across the east midlands, with a single station in the east midlands. That station will probably not be capable of serving the whole area. Of course, as I suggested in my intervention, that could lead to the downgrading of parts of the midland main line, so that they provide little more than a commuter service, rather than the main line service currently provided. That would be most unfortunate, and would be to the considerable disadvantage of the cities of Derby, Nottingham and Leicester, which might have only one single high speed station serving them all. The midland main line would no longer provide the high-quality service that it does.

For that reason, it is vital that the electrification of the midland main line is completed in advance of any High Speed 2 construction, so that interoperability is ensured, where it is appropriate, between the new high speed trains and parts of the midland main line. That would ensure that the midland main line does not ultimately lose out. It is equally important that a commitment is made to the electrification of that line at an early date, because much of the existing rolling stock on the midland main line, and particularly the high speed trains, are coming to the end of their useful life. It would be most unfortunate if they were replaced by diesel rolling stock that was not suitable, or appropriately interoperable with the new high speed line. I hope that the Minister will give some reassurance, as he has done in the past, to people in the east midlands that we will not lose out in the short term as a result of the longer-term commitment to investment in High Speed 2.

Finally, I put on the record my concerns about the parliamentary process that High Speed 2 will need to go through if it is to be completed. The process is, of course, that of a hybrid Bill. I speak with some experience of hybrid Bills, having served my time—it felt like serving one's time—as a member of the Select Committee on the Crossrail Bill.

Mr. Martlew: My hon. Friend was very bad.

Sir Peter Soulsby: There was some speculation about what particular crime I and others on the Committee had committed. I want to put on the record that, before that procedure is used again for the High Speed 2 line, Parliament ought to consider whether it is not over-cumbersome for modern needs and whether it is, indeed, entirely fit for purpose. I put that on the record in the hope that others need not suffer quite as much as did those of us who were interred during that Bill's progress.

12 noon

Mark Hunter (Cheadle) (LD): It is a pleasure to contribute to the debate under your chairmanship, Mr. Wilshire, and I congratulate the hon. Member for Carlisle (Mr. Martlew) on securing the debate. Given that there now appears to be widespread support across the House for high speed rail, I will start with a few comments on its potential economic impact, and will explain the background and context of the debate.

The construction of high speed rail could create as many as 10,000 jobs over seven years, according to the High Speed 2 proposals. A study by KPMG published earlier this year showed that high speed rail could create between 25,000 and 42,000 extra jobs and boost the UK economy by 2 per cent. by 2040. The greatest economic gains and potential growth in jobs would be in Yorkshire and Humber, Scotland, the north-east, the north-west and the west midlands, a point that has already been made today. That is important. Along with the hon. Gentleman, I am among a minority of Members who have participated in the debate, in that I have regular direct experience of the west coast main line, as I use it to commute back and forth between my constituency and the House each week.

Also of great significance is the business support for high speed rail. A survey of 500 businesses of various sizes carried out in December 2008 showed that businesses believe that high speed rail would benefit them more than would a third runway at Heathrow. When asked specifically which development would help them more, almost four in 10 businesses chose high speed rail links, and fewer than one in 10 chose the third runway at Heathrow.

High speed rail will benefit the regions, which is important, not least because spending per head on transport is far lower in the north than it is in London. That is an established fact. According to the July 2009 report from the Transport Committee, both the north-east and Yorkshire receive 72 per cent. of the UK average of funding per head of population, whereas London receives 195 per cent. per head and Scotland, perhaps more surprisingly, receives 162 per cent. per head. There is a similar gulf in capital investment. In the five years to 2008, investment in rail rose by 35 per cent. in the north-east and 37 per cent. in Yorkshire, but in London it rose by more than 80 per cent. in the same period.

The environmental benefits are absolutely key to the debate. Transport, as most Members know, is responsible for 28 per cent. of all UK carbon emissions. Emissions from transport have increased since 1990, which is against the trend for other major sectors. Estimates show that in 1990, transport emitted 140.8 million tonnes of CO_2, but by 2007 that had risen to 153.2 million tonnes, an increase of almost 9 per cent. In aviation alone, emissions have increased by 119 per cent. That should be contrasted with the 16 per cent. reduction from business and the 9 per cent. reduction from households. The message is clear—transport needs to catch up.

A passenger taking the Eurostar from London to Paris emits 10.9 kg of CO_2, compared with 122 kg of CO_2 if the passenger takes a flight. Similarly, a passenger travelling from London to Brussels by train emits 18.3 kg of CO_2, compared with a massive 160 kg of CO_2 if they take a flight. High Speed 2 has concluded that, even allowing for additional demand for travel, high speed rail's carbon impact is likely to be broadly neutral, and the change in average annual emissions is estimated to be in the range of 0.41 million tonnes to 0.44 million tonnes, which is equivalent to just plus or minus 0.3 per cent. of current annual transport emissions.

There is also a great potential for modal shift, a point referred to earlier by other hon. Members. According to Eurostar, 34 million air journeys between the UK and the continent could be switched to rail using existing capacity. As we know, flights from Brussels to Paris have virtually been eliminated as a result of high speed rail links, and rail now holds 91 per cent. of the market share on journeys between Paris and Lyon. In future years, people at Manchester airport, which is on the doorstep of my constituency, will look back in wonderment at the notion that people used to fly regularly, and even daily in some cases, between Manchester and London, especially as such an effective rail service on the west coast main line is already available.

High speed rail will also free up space on the classic, established network. That, too, is important because rail travellers have increased by 50 per cent. in the past 26 years, and by 36 per cent. in the past decade. Those figures are impressive, but the figures for individual stations in our constituencies are often even more so. Rail passenger journeys at Gatley railway station in my constituency, which is a small commuter station but a key link to Manchester, have increased by 130 per cent. in the past 10 years, according to figures provided by the Greater Manchester integrated transport authority.

[Mark Hunter]

In 2008-09, 18.8 per cent. of trains on the east coast main line were late, as were 26.6 per cent. of all Virgin trains, so there is still much room for improvement in existing services. That is why it is good that high speed rail will free up space on the established network. That would also bring benefits for freight. That market has grown by 66 per cent. in the past decade, and there is increasing demand for space. Consequently, we currently have shortfalls on many routes, including an estimated shortage of around 150 trains a day between London and Crewe.

The trains that will be introduced with high speed rail will be capable of travelling at up to 250 mph. Journey times between London and Birmingham could be as short as 49 minutes, down from the current time of one hour and 24 minutes. The journey between London and Manchester could be one hour and 20 minutes, down from the current two hours and eight minutes. The journey from London to Edinburgh could be three and a half hours, down from four and a half hours. The proposed Y-shaped network would cover around 335 miles and, as we have heard, run up both coasts, but it would not include a link to Heathrow. High Speed 2 estimates that every £1 spent will deliver more than £2 of benefits, and that the overall cost will be around £30 billion.

Let me make it clear that the Liberal Democrats welcome the proposals and the proposed route. My hon. Friend the Member for Lewes (Norman Baker) has accepted an invitation to look at the plans with the Minister and his team, and we are grateful that he will have the opportunity to do so. That does not mean, however, that we are absolutely committed to every single detail of the proposed route. It is right and proper that that is a matter for public consultation. As far as delays to the start of the scheme are concerned, Lord Adonis's original statement indicated that construction would not begin until after the completion of Crossrail in 2017.

Jeremy Wright: The hon. Gentleman said that he welcomes the route but that the Liberal Democrats are not committed to every aspect of it. Would he clarify whether that means that they have ruled out the prospect of an alternative transport corridor being used for High Speed 2?

Mark Hunter: No, it means precisely what I said. It is sensible to take the opportunity to look at the details of the route, and it is right that that should go out for public consultation, but what is proposed is not set in tablets of stone.

A detailed timetable from the Department for Transport referred to 2019 as the date by which construction could start. It would then take until 2026 for the line to be built to Birmingham, and a further six years, as we have heard, for the twin lines to reach Leeds and Manchester. That looks suspiciously like an excuse to delay spending, and is against a background of just 27 miles of new rail since 1997, excluding the channel tunnel, compared with more than 1,000 miles of new road since then.

Mr. Martlew: Why does the hon. Gentleman exclude the channel tunnel?

Mark Hunter: I am not excluding the channel tunnel per se. If the hon. Gentleman will listen to the wider point, I am pointing out that, within the confines of the UK, only 27 miles of new railway have been built since 1997, compared with 1,000 miles of new road. Even if we were to include the channel tunnel, it would still be a poor comparison.

Like the hon. Gentleman, I share some concerns about stops on the proposed new routes. Stockport is an important stop on the established west coast main line, and I very much hope and intend that it should remain so. Frankly, it would not be acceptable if any future proposals to speed up journey times were to mean a reduction in the current number of stops at Stockport.

Finally, high speed rail should not come at the expense of other improvements to the rail network. Electrification is important—virtually the entire network needs to be completed by 2050. At present, only 39 per cent. is electrified, whereas in France, some 90 per cent. of passenger traffic travels on electrified lines.

We also want to look in more detail at the reopening of existing lines, particularly those that have already been identified: Bletchley to Oxford, Lewes to Uckfield, Galashiels to Carlisle and others. There are benefits to the established rail network, and we need those improvements as well. Ultimately, our proposition is simple: there is not a case for a third runway at Heathrow, but there is definitely a case for high speed rail, and the sooner, the better.

12.12 pm

Stephen Hammond (Wimbledon) (Con): I congratulate the hon. Member for Carlisle (Mr. Martlew) on securing this debate, which he said may be his last in Parliament. I have been an Opposition spokesman for about four and a half years, and I know that he has been a faithful follower of a number of transport debates, in particular those on rail. This is an important debate because, as several Members have said, it can set out a huge number of opportunities for our country in the following decades.

We have heard some powerful contributions today. My hon. Friend the Member for Banbury (Tony Baldry) raised issues about the extent of the consultation so far, in particular with his constituents and the whole of Oxfordshire. He discussed the exceptional hardship scheme, about which several Members have already seen the Minister and the Secretary of State.

My hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright) got to the core of a matter on which there is some disagreement between our party and the Government: the publication of a route without some of the real issues being decided, and the commitment to a route in the febrile atmosphere of a general election. He made several good points about historic monuments, conservation areas, oil and gas pipes and so on. Those of us who have noted some of the information in the public domain about the potential costs of the station at Birmingham will be concerned about whether we might have done better to discuss some of the principles, corridors and specifics of the route outside the period of a general election.

The right hon. Member for Ho born and St. Pancras (Frank Dobson) mentioned Paddington. His contribution was interesting, and he made the case for his constituents. The hon. Member for Leicester, South (Sir Peter Soulsby)

ade a point about the classic network. I wonder hether we ought to start calling it the standard, or the tablished network, on the basis that calling it the assic network implies that it might be something like a assic car. We all want the railways preserved, enhanced nd continued, but I think that "classic" has a connotation transport that we would do well to pull away from.

Frank Dobson: Hauled by the Rocket.

Stephen Hammond: The high speed train is the 21st entury version of Stephenson's Rocket.

At my party's conference in 2007, my hon. Friend the lember for Chipping Barnet (Mrs. Villiers) announced ur policy of linking in airports. There is a regeneration rgument. The Minister dismissed the comments about direct link to Heathrow, but let me tell him what one f the experts, Greengauge 21, said in its report of 009, "Fast Forward: A High-Speed Rail Strategy for ritain", in which it discussed not only environmental ut economic arguments. It said that

"fast direct links to the nation's dominant international airport at Heathrow will help businesses located outside the south east to compete in world markets."

The argument about taking both domestic and short-haul lights out of the air by connecting to Heathrow is verwhelming and powerful. The case for high speed ail stands: it is better for the economy, the environment nd the travelling public.

I welcome the cross-party consensus on the principle, ut it is absolutely clear that the specifics of the high peed proposals need to be judged on their merits. We ave already made it clear that the Conservative party ill reserve its position on the route that has been hosen. We will listen carefully to the points of view of hose who are affected by it, but I do not believe that a eport being published this close to a general election hould close down the options for any incoming overnment to reconsider both the remit and the route hen elected. There are some good reasons for that. The remit that the Government set for High Speed 2 did ot include clear plans beyond Birmingham, so much f the economic benefit of regeneration to the north as not been outlined in the report because it was never art of the remit at stage 1. There are some huge rguments about that.

On the failure to link Heathrow, we all accept that Old Oak Common will be a necessary stop because of he dispersal arguments, which the Minister raised. However, he failed to say that on the 20 and 25 per cent. dispersal, there are some real arguments. Without the onnectivity to Heathrow, it is not the airport. Changing rains and getting to and from Old Oak Common are all ssues that need considering. High speed rail also provides huge alternative to short-haul flights. Being wedded o not allowing a remit to assess potential modal shift rom air to rail by high speed rail will clearly frustrate nd restrain the argument for a direct link to Heathrow. That is a huge flaw in the plans.

Many of the High Speed 2 proposals have merit, and hope that the cross-party consensus on the principle of igh speed rail will survive the general election, and that t can be built earlier. There will be a chance to go hrough the planning and legal phases by 2015 and I ope that the first sod can be cut two years earlier than he Government propose. I hope that high speed rail ill be built in phases, and that the first phase—London-Birmingham-Manchester-Leeds—

Chris Mole: The hon. Gentleman, who speaks for the official Opposition, has raised again the prospect of an earlier start. The Government were commended by the hon. Member for Rugby and Kenilworth (Jeremy Wright) for their inclusive and all-encompassing consultation approach. Does the hon. Gentleman seriously believe that the legal mechanisms and appropriate consultation could take place and that work could start by the earlier date that he suggests when much of the necessary expertise will be transferred from the Crossrail project, which does not finish until after that date?

Mr. Hammond: I thank the Minister for his question. We have carefully examined and set out the plans that will be required, including extensive consultation and the need for a hybrid Bill. I believe that that could be done during the lifetime of a full Parliament.

12.22 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I have a limited amount of time to respond to a range of excellent contributions from hon. Members. I start by congratulating my hon. Friend the Member for Carlisle (Mr. Martlew) on securing this debate, and I welcome all the points that have been made. It might be helpful if I first explain that the Government believe that high speed rail is the best way of enhancing our inter-urban transport networks. It is clear that over the next 20 to 30 years, key inter-urban routes linking our major cities will become increasingly congested.

My right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) said that the original railways were built in just three years. The history of the railways shows that routes were often designed specifically to circumnavigate the opposition—usually landowners who had corporate interests in the canal system. The routes were dictated by political factors in the first instance, which is why we have inherited such a higgledy-piggledy network of railways from those Victorian entrepreneurs. We are the first Government to break that mould, to move away from that inheritance, and to start to deliver a new high speed network that links London with Birmingham, Manchester, the east midlands, Sheffield and Leeds. That could more than treble capacity on the congested west coast corridor, improve journey times between our major cities and, as many hon. Members have said, release capacity on existing lines for additional commuter services and freight.

In addition, linking the proposed core high speed rail network to the existing west coast and east coast main lines will make it possible to provide high speed services to other destinations, such as Liverpool, Newcastle, Glasgow and Edinburgh—I might also add, Carlisle—from the outset. For example, the proposed network could reduce journey times from Glasgow to London to around 3.5 hours, creating significant scope for a modal shift from aviation to rail. It also has the potential radically to improve regional connectivity, drawing together the major conurbations of the midlands and the north.

My hon. Friend asked about the first generation of high speed trains that will have to be able to run on the classic network. I assure him that the speeds at which they run will be similar. They will not tilt, but the journey time savings on the London to Birmingham

[Chris Mole]

section will more than outweigh any restraint on speed on the network, which he has often made the case for upgrading.

My hon. Friend also asked about the future of Pendolinos. The subject will be up for discussion and further work. Some rolling stock and services will continue to operate on the classic network, but detailed planning of service patterns, rolling stock, timetables and distribution will take place later in the process.

On the benefits to the UK economy, the modelling carried out by HS2 suggests that a high speed line from London to Birmingham alone could provide benefits totalling some £29 billion, and up to £32 billion if wider economic benefits such as agglomeration effects are taken into account. The more extensive network in the Government's proposed Y-shaped core would bring still more significant benefits. It would shrink journey times further, and enable the UK's city economies to function more effectively together. At long last, we would start to tackle the problems inherent in our Victorian rail heritage.

My right hon. Friend referred to multiple connections to London, and that aspect of the consultation will start in the autumn, but there will be questions about the cost and provision of a second London station site. The Government have rejected that at this stage, on the advice of HS2 Ltd. We are confident that a single stem will provide sufficient capacity. Resilience issues are important, but they have been thoroughly considered. The Command Paper published on 11 March, as well as supporting an initial core high speed network going as far north as Manchester and Leeds, also supports two further elements of high speed rail policy.

The first is the through-running of high speed services to destinations further north. Through-running will be possible when the line to Birmingham has been constructed and when it has been extended to Manchester and Leeds. Journey time savings to Scotland, Newcastle and elsewhere will be dramatic, and I encourage hon. Members to inspect the helpful journey time schematics that are available in the Command Paper.

The second element in the Command Paper is extensions to the core network, which would run to Newcastle on the eastern branch and to Edinburgh and Glasgow on the western branch. Intermediate stations on those lines will continue to be discussed, and I note that my hon. Friend staked a claim today for a station there. That, and proposals for stations elsewhere, will receive careful attention.

Let me put it on record early in my response that the Government have no intention of allowing the existing rail network to wither on the vine. My hon. Friend the Member for Leicester, South (Sir Peter Soulsby) made a case for electrification of the midland main line, to which the Government are committed. We continue to examine the business case in the context of the existing rolling stock.

I am running out of time, but this is a national cause, which the Secretary of State has driven forward with his usual energy and passion. Much work remains to be done, and all interested parties have a chance to register their views. I am sure that they will do so through the consultation, whether on the extended hardship scheme or the route. High speed rail has the potential to rewrite the geography of our country, to conquer the north-south divide at last, and to ensure that all the UK's regions are open to the opportunities of our globalised economy.

Early Intervention

12.29 pm

Mr. Graham Allen (Nottingham, North) (Lab): It is a great pleasure to serve under your chairmanship today, Mr. Wilshire. I understand, with a note of sorrow, that you will not be with us on future occasions. It is a pleasure to have known you over the years as a parliamentary colleague.

I also welcome my right hon. Friend the Minister. She and I share some unfortunate statistics regarding the make-up of our constituencies, and the deprivation and difficulties that exist. The third member of the trio, my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) is not with us, although sadly our constituencies sometimes linger near the wrong end of tables. I know that the Minister wishes to make an impact on such issues in her constituency, as do I, and she brings a special knowledge to bear on that.

I have called this debate to welcome the Government's document, "Early Intervention: Securing good outcomes for children and young people". I am not sure whether it is a White Paper, a Green Paper or just a document; none the less, I was pleased to see its publication last week. It is a guide and an inspiration, and I wish it had been available five years ago when I started as the chair of One Nottingham, trying to make Nottingham an early intervention city. It would have been of tremendous assistance.

In the spirit of early intervention, I hope that this document will be a guide and inspiration to many who come after us in different guises, and that it will inform the policies of the next Government, of whatever political complexion. It is a long overdue, well drafted and well pulled together document, and I have sought to spread it far and wide. It provides the groundwork for something I would like to see, which is a commitment in the election manifestos of all three main parties to furthering early intervention, and to developing 12 early intervention cities, perhaps by learning from what we tried to do in Nottingham. We also need the creation of an early intervention policy assessment centre. That issue is touched on in the document, although we must solidify it in practice. Early intervention should be funded through the capital markets and not through the Government, so that we can obtain the longevity and certainty that is the foundation of effective early intervention.

I have given the document a warm welcome, but I will now focus, rather perversely, on one or two issues where I think we could go further. I do not intend to be destructive in any way, and I hope my comments will be taken in the creative and constructive spirit in which they are offered. My first—it is rather wistful—is that I wish we had made more of this publication, and perhaps the Minister will tell us why it was dealt with in such a low-key way last week. I did not know it had been published until I was asked to comment on it by specialist journals. When I sent the document to the usual suspects and to national and international experts on early intervention, not only did they not know it had been published; many did not know it had been written. It was a low-key publication, which is a shame as there is a great story to tell. If we are to win people over to early intervention, we must start to trumpet it as a concept and philosophy that counters many of the ideas that exist so strongly in the way we currently administer social policy. I could not get a hard copy of the document this morning from the Vote Office, and that was rather strange.

It is an excellent publication, although we could have improved it further had we had a conference and a more open process of critique and consensus. The Minister may have known of time constraints that I was unaware of, but all friends of early intervention want to gather round and be as helpful as we can when the Government are doing such good things. The Government have also created an early intervention section within the Department for Children, Schools and Families, and that is welcome. All the trend lines are going in the right direction, and we hope to build on that with the Government.

A more serious criticism is that the opening definition of early intervention in the publication is not particularly good. Thankfully, it goes on to ignore that definition, and there is lots of good stuff in the body of the work. The definition of early intervention is given as,

"to tackle problems that have already emerged",

but the whole basis of early intervention is that we get to problems before they emerge. We anticipate and pre-empt, and in some ways that definition is almost the antithesis of early intervention. The real definition of early intervention, and the one arrived at by many practitioners who think about and practise it, is to develop social and emotional capabilities in every baby, child and young person, so that problems do not emerge. It is not about problem-solving; it is about eliminating causes. To put it in less flowery language, a stitch in time saves nine—something that every parent understands.

The document is most welcome because of the way it pulls together a lot of understanding and practice in the field. However, we must guard against adopting the language of early intervention on a flavour-of-the-month basis by co-opting the language, but not changing existing practice. We must challenge and change existing practice, as well as paying lip service to the concept of early intervention. When I was chair of One Nottingham we pioneered the concept of an early intervention city, and there was undoubtedly an unconscious process on the part of some of the big public bureaucracies of absorbing and incorporating non-conformist ideas that were not measured, tested or benchmarked from the centre. A warm embrace tends to envelop such ideas, and they disappear after a brief life. It would be a tragedy for children and our intergenerational development if that happened with early intervention. We do not wish to see an exciting vision turned into policy administration and the defence of existing public bureaucratic boundaries and enormous remedial budgets.

We cannot go on as we are. There is a clear public policy choice: we either continue as we are, which will mean that we pauperise every taxpayer to pay for the costs of social failure; or we take a different turning and try to squeeze down on dysfunctionality at the earliest possible moment, in order to ensure our economic, let alone our social, survival.

One of the issues that comes through in the document is the attempt to commit to a common attainment level across society. There is a terrible waste of babies, children and young people throughout some of our communities. If we can define a social and emotional bedrock and a standard that is applicable to all children—particularly

[Mr. Graham Allen]

to make them school-ready—we will obtain a fundamental sea change in the way we view our role and responsibilities in society. We need clarity in raising standards, particularly the standard of having a child who is ready to go to school, rather than condemning that child to go to school followed by 11 wasted years because they are unable to listen, learn and make the best of that time. If we do not do that, we could slip back into pure remedialism.

I guess this is just a personal thing, but some of the professional jargon we encounter rankles a little. I am thinking of debates about stigmatisation, and the use of pseudo-medical phraseology such as "triage" or the misuse of the word "resilience", given that many children cannot bounce back if they are not given the right social and emotional tools and equipment to work with. One of my least favourite terms is "risk factors". That tends to involve a list of the symptoms, rather than seeking to deal with the fundamental causes of many of those symptoms. Again, the fundamental cause is the social and emotional capability or incapability of many of the babies, children and young people whom we are discussing.

We must be careful: unless we have the vision that I have set out and unless we have it in mind at all times, we can lapse into the day-to-day maelstrom of micro problem-solving that so many of our public servants are sucked into. They do remarkably well in that firefighting job, but there must be a point at which people step back and, as well as fighting the fires, have a proper programme for smoke alarms. As well as swatting the mosquitoes, people must have a proper programme for draining the swamp. That vision and aspiration cannot be set by hard-working local officials in the health service, the police, children's services and community services. It must be set at the top. The philosophy and the desire to change the culture have to be clearly there at the political and ministerial level. I welcome in particular the personal work done by the Minister, but also the work done by the team at the Department in moving that forward.

Fundamentally, we need to reach much further back to resolve some of the difficulties than we are currently doing. On occasion, the language in the document I am discussing slips a little from its own very high standards. People talk about specific problem solving and remedialism, when really this issue is about breaking the intergenerational cycle. As the Minister will know very well from experience in her own constituency, we need to see the baby who is born as tomorrow's parent, who can go on to raise a better generation. If we can crack the intergenerational cycle of deprivation, that will go a long way towards resolving many of the symptoms, including crime, drug abuse and drink abuse, with which we are all too familiar.

I commend the document, particularly for its work on partnership. Partnership is about a vision and a culture. The chief executive of Nottingham city council has said that

"early intervention is in everyone's DNA".

I hope we can continue that momentum, but to make partnership working more effective, we must ensure that proper help is available from a policy assessment centre for early intervention such as those in Colorado and Washington state, which were mentioned in the document, and many other areas. I am talking about a centre that can implement and drive my ambition, which is to see a dozen cities become early intervention cities and break out of the constant and expensive cycle of trying to tackle the consequences of deprivation and dysfunction.

I also commend the document for its excellent work on funding and money saving; it is a small section, but I know it is not an afterthought. There is much more to be done in that regard. We have to break out of the problem whereby funding tends to be for one year or two years and people do not have a 20 or 30-year, long-term view, which is essential. Unless we do that, there will just be small starburst efforts based on personal energy or individual projects, rather than a long-term philosophy.

Tracking is also referred to in the document. It talks about the common assessment framework, but that framework is more of a snapshot than an action plan and often tends to be bogged down in its own difficulties, such as who will pay for it and who is taking responsibility for the individual. We need a proper data-sharing tracking policy so that we can identify people not when they commit an offence or appear to have a problem, but when it would be really helpful to do so—not least to parents, who want assistance at the earliest possible moment.

I hope the Minister will agree that there is undoubtedly a degree of paralysis locally when people talk about data. There is always a problem with data protection. Ministers tell me that no problems exist—"Challenge them and confront them." However, the culture is there of saying no first—"Justify your request"—rather than building up the trust and the processes that would make data-sharing effective.

I have a few final questions to throw into the pot regarding the proposals. First, I very much welcome the idea that there should be a research centre on child well-being, which will include early intervention. When will that be created, how will it be set up and who will be represented in it? Will it, for example, use the expertise of the Centre for Excellence and Outcomes in Children and Young People's Services, which does such good work?

Secondly, an early intervention implementation group will emerge. That is very welcome, but can we ensure that it does not, as was said in the document, act after a child's exclusion from school, but four years earlier than that—or possibly five, six or seven years earlier—so that we can pre-empt the child's being excluded from school by getting the right help to the parents and the baby?

The third issue is the use of evidence-based programmes. I think we would all like to see that, but we also need an independent organisational driver of the sort I have described as a centre for policy outcomes.

Finally, on the economic side, there will be an expert group on the long-term financing of early intervention. That is very welcome. I hope it will not be as narrowly drawn as the document suggests. That seems to favour social impact bonds only. There are many other instruments. There are early intervention bonds and many other possibilities whereby the market, which over the past two years has shown its brilliance and invention in getting us into trouble, could show its brilliance in organising out some of the social problems and being seen to be even more socially responsible. I do not mean soft money, ethical money or money with Government

underwriting. I mean a hard-faced proposition about making money from ensuring that babies, children and young people grow up to be productive people, rather than an imposition on taxpayers. That should not be limited to the 14-to-16 age group. On the contrary, the focus should also be on babies who are 14 to 16 days old, rather than just on young people who are 14 to 16 years old. It would be useful if the Minister told us when the expert group on financing early intervention will be created, who will be in it and how she sees it functioning.

There are a number of crunchy particulars in there. I hope the Minister will take the questions in the spirit in which they have been offered. Once again, I place on the record my thanks to her, her civil servants and her Department for what I hope will be seen in many years to come as probably the first big building block, philosophically, to be put in place by the Government. The breakthrough to make early intervention a philosophy and a vision will benefit children as yet unborn and generations still to come. If we can start to lay the groundwork and operate consensually as far as possible with other parties, everyone will look back on that in the future and say, "If they did nothing else, they did a good thing on moving early intervention forward."

12.49 pm

The Minister for Children, Young People and Families (Dawn Primarolo): I join my hon. Friend the Member for Nottingham, North (Mr. Allen) in welcoming you to the Chair, Mr. Wilshire. This will, as you put it, be your last outing, so let me say how much I have valued your friendship and our discussions about Bristol City football club—when its performance has been good and when it has been bad. I will sorely miss that, because we are probably the only two Members in the whole of Parliament who follow Bristol City.

Mr. David Wilshire (in the Chair): Once I have retired, the attendance at Ashton Gate may increase a little. I understand that the club is looking for a manager. Should I apply, can I count on the Minister for a reference?

Dawn Primarolo: Mr. Wilshire, it will certainly be great to see you regularly at the games. Given the recent publicity about retiring Members of Parliament offering themselves in various roles, perhaps you and I should have a private conversation about your idea.

I congratulate my hon. Friend on the debate. His commitment in his constituency, in the city of Nottingham and in the House in pressing forward the urgent and important debate on early intervention stands as a beacon in this Parliament. As he rightly said, early intervention is at the heart of all our children's and young people's services. As we know, the most effective way to improve young lives is to act at the earliest possible opportunity. My hon. Friend talked about securing the social and emotional capabilities of every child and young person, and I agree with what he said.

My hon. Friend will not be surprised to hear that there are, regrettably, many definitions of early intervention. For the purposes of the document—not as a final conclusion—we are talking about intervening as soon as possible to tackle the problems that have already emerged for children and young people, and I take exactly my hon. Friend's point about the need to take that wider step as well.

My hon. Friend talked about the cultural change that is necessary in our children's and young people's services. The document seeks to lay out a simple process for early intervention. The aim is, first, to identify the particular issues that make intervention necessary. Secondly, we need to have a good assessment of need. That is then carried forward into the final step, which is about making sure that the results inform a purposeful response. As my hon. Friend said, such a response is about making a stitch in time and acting early for the benefit of the individual, the family and the community.

The consultation—the document the Department has published—is intended to open up a debate further to clarify and develop the issues. The Government are determined that we—frankly, the same is true of all political parties—need to improve outcomes for children and young people. That is why we have already made significant steps on early intervention, but we need to go further.

With our 3,500 children's centres—the number is rising—we are providing services to intervene early to help families and children. We are also working on early development and we have put £1 billion into extended schools services. On transition, we often see problems later on with the eight-to-13 range, so it is important to intervene early to support the family, the child and those in the wider setting.

Mr. Allen: Could I just be clear about the status of the document? Is it a consultation document? If so, is the consultation still open? How do people put in their views to help improve the document?

Dawn Primarolo: I was going to pick that point up. I am sorry; I did not mean to mislead my hon. Friend. The document is up for debate; it is not a formal consultation, in the sense that the Government would have a 12 or 13-week period for responses.

My hon. Friend asked about the early implementation group, and the document is intended to be the starting point for the discussions that the group will take forward and lead. Those discussions will, for example, be about specific practice—we have tried to address this in the documents—that demonstrates clear outcomes that are of value to the child, the young person, the family and the community. There is lots of value for money around, but the question is how we spread understanding so that everybody locally does not invent their own solution, which may or may not work, and the data are not collected.

As part of the exercise—this relates to one of my hon. Friend's questions—we have asked C4EO, which already collects good practice for us, to make sure that good practice is fed into the implementation group. The Association of Directors of Children's Services is also advising the group. There are discussions about who will sit on the group, how they will link to an institute, how we can develop these things and—I will come to this shortly—financing. The implementation group is taking these issues forward.

In terms of the Government process, I am not quite sure how we would describe the document: it is not a Green Paper, it is not a White Paper and it is not a

[Dawn Primarolo]

formal consultation. It seeks to make more advice, support and good practice available, particularly to children's trusts, which have to bring together health bodies, local authorities, the police and the third sector—all the services on the ground—in their children's and young person's plan. Organisations have to look at how they can work together, based on a needs assessment, to deliver not only the services that they do now, but the early intervention that my hon. Friend has so rightly explained.

We need a practical method of doing such things. We do not want to tell people what to do or to issue guidance, although guidance might come at some stage, but to make sure that people not only sign up to the principle, but develop the practice, as my hon. Friend has done so ably with his partner agencies in Nottingham.

The implementation group will also need to look at financial considerations. My hon. Friend touched on the social impact bond, and there have been two pilots, which have given us some interesting results. That is not the only possible financial mechanism, but it is the one that has been piloted, and we are asking for it to be considered. I am attracted to such a bond for the following reasons. First, it gives charities, third-sector organisations and local authorities extra finance, so that they can start bringing together seed finance and early implementation provisions. Secondly, the local authority or charity would have to agree specific outcomes with those they had received the money from. They would have to track their data and show that their approach worked.

On that basis, the Government would pay for the bonds—that is the idea—but we would not do so if they did not work. Instead of having targets, pressures and silos from central Government, we are looking at whether a local assessment, based on need, could deliver. However, my hon. Friend is quite right that other financial solutions may be available.

To answer my hon. Friend's questions, therefore, the implementation group is central, and he is right that the question of whom we have on it is crucial. We are being advised by two important institutions, but we will make sure that we have more. Those involved will then engage in dialogue and settle the way forward on the other questions that my hon. Friend asked.

Why was the document low key? Whether publications are low key or not is not always in the Government's hands. Regrettably, the document did not attract attention, and nor did the children's centres. However, as the debate goes forward locally, I hope it will achieve what my hon. Friend and I want: great social and emotional development for young people and children, based on early intervention. With the support of my hon. Friend and others, I am sure we will achieve that.

UK Chemical Industry

1 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): It is a great pleasure to serve under your chairmanship, Mr. Wilshire. I wish you well in your retirement. I think that this will be my last speech in this place, as well. It is a great pleasure, also, to see my hon. Friend the Minister here, because he has shown quite an interest in some of the subjects in which I have been interested.

I dedicate this debate to Dr. Ashok Kumar, the late Member of Parliament for Middlesbrough, South and East Cleveland. I succeeded Ashok as chairman of the all-party parliamentary group on the chemical industry, which is administered by the Chemical Industries Association. It was his intention to become chairman of the all-party group again after my retirement. I am sure that we all agree that Ashok will be sadly missed in this place, and I send my condolences to his family and friends.

The UK chemical industry, including pharmaceuticals, is a £60 billion business, which employs over 600,000 people. It adds £30 million to our balance of trade every working day and represents 12 per cent. of total UK manufacturing—twice that of aerospace. Throughout the 1990s, 16 countries produced 80 per cent. of the total world output of chemicals. The UK was sixth behind the USA, Japan, Germany, China and France. According to figures produced in 2005 by CEFIC, the European Chemical Industry Council, the EU chemical industry leads all EU manufacturing in terms of value added per employee, and is second only to the USA in world output. Therefore, for both the UK and Europe, the chemical industry is a valuable contributor to our economies.

The chemical industry's current major concerns are the cost and security of energy supplies, skills training and recruitment, the availability of capital for investment in developing new products and acquiring new plant and equipment, the costs of transport, and the regulatory burden placed on the industry in recent times, which has had the biggest impact. The election manifesto just published by the CIA expands on those concerns.

Our Government have decided that energy security is a major concern, and major changes in energy supplies are under way, with less reliance on imported oil and gas in future years and more reliance on a basket of renewable energy generation technologies and nuclear fission. Coal will play a major role in future, but only if either pre- or post-combustion carbon capture technologies are incorporated in new plant, or retrofitted to old plant. That will require massive capital investment which, in turn, will result in increased energy costs.

Bob Spink (Castle Point) (Ind): I congratulate the hon. Gentleman, who has been a superb advocate of and worker for the chemical industry in the UK. I wish him well in whatever he does in the future. No doubt he has plenty of ideas.

Did the CIA say how we can conserve feedstocks for future generations, so that we can keep the industry going, rather than burning them, as he is about to describe?

Dr. Iddon: It did not, is the honest answer, but I have some thoughts about that, which the hon. Gentleman will hear.

Increased energy costs will obviously impact on the chemical industry, which is affected particularly by spikes in gas prices. It believes that those are caused by a shortage of gas storage facilities in the UK, which is now being addressed by the Government. In the winter of 2005-06, many UK companies were forced to cut or stop production altogether. Aluminium production in the UK has been particularly badly hit, as have processes such as chlorine production and metallurgical and ceramic processing. The image that the chemical industry had when I was a student in the '60s has changed beyond imagination through the introduction of environmental and health and safety legislation. Chemicals are highly regulated products today. In environmental legislation alone, more than 500 measures affect the industry. Much of the current national and international legislation is complex and some of it is obscure, and various organisations are pressing for better regulation of the industry. There are signs that the EU is beginning to take notice.

Retaining a viable chemical industry in this country, as against displacing it abroad by over-regulation, is of the utmost importance. If our Government over-legislate, however good their intentions are, displacement of our chemical industry to other countries will occur. There are signs, of course, that that has happened in the past few decades. The impact of displacement on the manufacture of just one strategic raw material can be illustrated by the case of ethylene oxide, which has many downstream uses. This year, unfortunately, Dow Chemicals will close its Wilton ethylene oxide plant on Teesside, which has supplied 98 per cent. of the UK's needs. The opening of a plant in the middle east producing monoethylene glycol, resulting in a significant drop in prices of that downstream chemical, appears to have prompted Dow's decision. Although ethylene oxide can be shipped into Britain, there is limited shipping capacity. It cannot be brought through the channel tunnel and ferries are reluctant to carry it in tanks. Those difficulties are causing the closure of other UK plants that use UK-produced ethylene oxide, such as the Croda ethoxylation facility.

Climate change is seen as the biggest global challenge facing mankind today. With a projected population increase from 6 to 9 billion by 2050, I see water and food security as our greatest global challenges but, of course, there is a connection. For two main reasons I believe that we should not be burning fossil fuels. First, coal and oil are larders of chemicals for the enjoyment of a high quality of life by future generations, in developed as well as developing countries. Secondly, 50 per cent. of the carbon dioxide generated since the industrial revolution has now been partitioned between the atmosphere and the seas, which cover more than 70 per cent. of the earth's surface. In turn, acidification of those seas is causing a breakdown in the marine carbon cycle. We are losing corals, on which other marine species rely, and shellfish. In any case, burning fossil fuels is an extremely inefficient way to provide energy.

We have to get things in proportion, however. This country is responsible for only 2 per cent. of current world emissions of carbon dioxide. However, we need to show countries such as India and China, especially, but also other developing countries, that there are alternative ways of producing energy that have an overall benefit to the environment. For every unit of greenhouse gas emitted through chemical manufacturing, the resulting products enable two to three units to be saved downstream. The downstream products that result in the greatest savings of carbon dioxide, evaluated in a recent report on responsible care by the International Council of Chemical Associations, for emissions-saving enabled by the chemical industry, are insulation materials, chemical fertilizer and crop protection products, advanced lighting solutions, such as compact fluorescent lamps, plastic packaging, marine antifouling coatings, synthetic textiles, automotive plastics, low-temperature detergents, increased engine efficiency, and plastic piping.

Mr. William Cash (Stone) (Con): I declare an interest in that in the somewhat distant past I was an adviser to the United Kingdom Offshore Operators Association and to Shell and ICI. I take a great interest in the questions that the hon. Gentleman is discussing, from the environmental point of view, and in terms of enterprise. As a member of the all-party group on clean coal, I presume from the hon. Gentleman's previous remarks that he would regard what he was saying about not wanting to use fossil fuels as being overtaken by the advances that we hope will be made in carbon capture, which would overcome the difficulties he mentioned. I absolutely believe in carbon capture as part of our energy security.

Dr. Iddon: I absolutely agree with the hon. Gentleman. We need to keep oil for the petroleum industry, but of course there is far more coal on earth than oil so we can carry on burning it for a little longer.

The Government were one of the first to tackle climate change, initially through the introduction of the climate change levy. Climate change agreements allow energy-intensive industries to receive a discount on the climate change levy provided that they meet certain energy efficiency targets. More than 230 climate change agreements have been made in the UK chemical industry. However, the rebate received by energy-intensive industries will be reduced from 80 per cent. to 65 per cent. from April next year to comply with the EU energy taxation directive. That will cost the UK chemical industry £10 million, and UK manufacturing a total of £50 million. The CIA believes that the Government have gone further than necessary in meeting the requirements of that directive.

The introduction of the climate change levy has resulted in a change of behaviour in the chemical industry. The industry realised that it made sense to think about its energy usage and costs, and it changed its manufacturing processes as a result of regulation. Subsequent cost savings made those industries more competitive. Based on 1990 levels, the chemical industry reduced world CO_2 emissions by between 8 per cent. and 11 per cent. by 2005, according to the IPPC. Since 1990, the UK industry has improved energy efficiency by 35 per cent., which is equivalent to a saving of more than 2 million tonnes of CO_2.

Britain has set itself some tough targets. We were the first, with the Climate Change Act 2008, to introduce climate change legislation. That Act enshrined in law the reduction of UK CO_2 emissions by 80 per cent. by

[Dr. Iddon]

2050. The EU emissions trading scheme, which works on a cap-and-trade basis, is central to the UK's long-term policy of reducing CO_2 emissions. Under the emissions trading scheme directive, large emitters of CO_2 in the EU, including in the energy-intensive chemical industry, must monitor and report annually on their emissions of greenhouse gases, and are obliged to return emission allowances equivalent to their annual emissions, currently to the Government. To do that, they may have to buy or sell emission allowances on the market.

Minds are now turning to using the CO_2 emitted into the atmosphere to synthesise other chemicals. Methanol, which can be synthesised from CO_2, can be used instead of ethanol as a transport fuel. Lotus cars have already developed engines that will run on pure methanol. An article appeared in the 22 February edition of "Chemistry and Industry" on the world's first resins made from polyols using CO_2 as a feedstock.

Probably the most significant piece of legislation on chemicals introduced by the EU has been REACH—the registration, evaluation and authorisation of chemicals—with which all European countries are expected to comply. It is being implemented in stages by the EU Chemicals Agency, based in Helsinki; by 2018, it will have dealt with all the 30,000 chemicals that are supplied in quantities of more than 1 tonne a year. That legislation replaces more than 40 pieces of previous legislation, but 20 pieces of connected legislation remain in place. Implementation of REACH has proved more difficult and more costly than forecast. Instead of the expected 200,000 pre-registrations, the EU Chemicals Agency has received 2.75 million.

Chemists still have a difficulty in explaining, and the general public in understanding, the relationship between hazardous substances and their risk to society. However, the good safety record of the chemical industry is noteworthy when compared with the rest of manufacturing, and especially with the construction and farming industries.

At a recent meeting of the all-party group on the chemical industry, it was reported that some chemical manufacturing previously displaced offshore—for example, to China or even elsewhere in Europe—is returning to Britain. That is being encouraged by taxation changes, a good working relationship between employers and employees—including a responsible approach by the industry's unions—and a recognition that this country produces high-quality products.

At the high-value end of the market, the availability in the UK of a highly skilled work force, graduate or otherwise, is another important factor. In addition, the supply chain in the UK and Europe is better than in developing countries. The changed image of the chemical industry has attracted more people to consider working in it. That has been helped by the fact that wages and salaries, as well as working conditions, are also good in comparison with other industries; for instance, workers can earn up to 20 per cent. more than in other manufacturing industries.

There are further challenges ahead for the UK chemical industry, but I am confident that it is capable of meeting them. However, 70 per cent. of chemical and pharmaceutical businesses operating in the UK are foreign owned. It is therefore important to create the right financial and regulatory conditions to retain those businesses in this country.

I look forward to the Minister's recognition that the chemical industry is essential to the UK economy. After all, its products are used by nearly every other manufacturing industry.

1.16 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): It is a privilege, Mr. Wilshire, to serve under your chairmanship. I think that this is the first time that I have done so, and it may be the last.

Mr. David Wilshire (in the Chair): It will indeed be the last time.

Ian Lucas: I intend to return to Parliament, Mr. Wilshire, but I give you my best wishes for your retirement.

It was a privilege to listen my hon. Friend the Member for Bolton, South-East (Dr. Iddon), who has just demonstrated why he will be missed in the next Parliament. I welcome my hon. Friend's dedication of this debate to our former colleague, Ashok Kumar. As my hon. Friend said, the late Member for Middlesbrough, South and East Cleveland will be sadly missed. He brought a formidable knowledge and a quiet intelligence to the business of Parliament, especially when considering matters relating to the chemical industry. Coincidentally, I attended an award ceremony last Wednesday, when I spoke to a Cluster Mark group from Teesside. They spoke very warmly of Ashok, and expressed their profound shock at his death. He was highly regarded in the north-east, in the chemical industry and, of course, in the House.

I pay tribute to my hon. Friend the Member for Bolton, South-East, for his long and distinguished academic and parliamentary career. I am genuinely pleased to have the opportunity to respond to this debate. I think that I first spoke to my hon. Friend at an aerospace lunch. He may remember that we had a discussion on nuclear power in the UK, which he has always supported. At that time, it was not as politically fashionable as it is now, but he has always shown a quiet intelligence and maintained a logical argument.

We heard today that he has a wide knowledge of scientific matters; I speak as a lawyer, and I am sorry to say that his knowledge was not as much in evidence in the House as it should have been. His commitment to the chemical sector has been demonstrated in Parliament since 1997, and is shown by his involvement with universities and learned societies. Through his support for organisations such as the Catalyst discovery centre, the Bolton Technical Innovation centre, and through his own magical chemistry demonstrations, I am sure that he has encouraged many young people and adults to take up careers in the chemical industry.

In Parliament, my hon. Friend has maintained a focus on chemical industry matters, including through the constructive work of the all-party group on the chemical industry. His interests extend far beyond that to embrace drug misuse, policies on higher education, skills research and British-Palestine relations. As a Back Bencher, he has made an important contribution to

marine safety, and his private Member's Bill became the Statistics and Registration Service Act 2007. It is therefore with real sadness that I note that my hon. Friend will be retiring from the House. I am sorry that we will lose his considerable knowledge and experience, but I do not envisage him sitting back in an armchair with pipe and slippers. I suspect that he will be very active in his so-called retirement, and I look forward to hearing from him on a regular basis in the future.

I agree with what my hon. Friend said about the significance of the chemical industry for direct and indirect employment and the balance of trade, and also with what he said about how important chemicals are to our manufacturing base. The industry invests heavily in research and development, and provides some of the highest quality, best paid employment in UK manufacturing. The chemicals industry underpins most of our manufacturing. For example, if we look at the supply chains in most of the UK's manufacturing industries, we will find a chemicals producer in there somewhere. It is easy to lose sight of the fact that chemicals are essential for a vast array of everyday products, ranging from packaging and pharmaceuticals to car interiors and personal care products.

The chemical industry, like many other sectors, has had to face some very tough trading conditions due to the global recession, particularly where downstream customers have been struggling. The Government have, therefore, been supporting the industry in various ways over the past 18 months to enable it to face the challenges ahead.

Today, we announced details of our support for the industry in the north-east, where the UK's largest chemical cluster is located. As a result of working with the regional development agency and making good use of the strategic investment fund, a total of £7.5 million will be invested in the region. That is just part of the £60 million support package that was announced last November, which will help to create about 3,000 jobs in the region, and some 150 apprenticeships. The £7.5 million investment will help some promising projects. For example, £2 million will go to MSD Biologics UK, which is based in Billingham, creating 75 jobs over the next three to five years; £2 million will go to PYReco, which is based at Wilton, to help with the development of a new processing plant to reclaim and recycle material from tyres, creating 52 new jobs, and a further 240 construction jobs; and £1.34 million will go to GrowHow's environmentally essential project to tackle nitrous oxide emissions at its Billingham plant.

We are also spending more than £600,000 on a building operator certification energy efficiency project at Tees dock, Middlesbrough, which, again, will safeguard jobs.

Mr. Cash: I should like to place on record my admiration both for the hon. Member for Bolton, South-East (Dr. Iddon), with whom I have debated often, and for you, Mr. Wilshire. As well as being an hon. Friend, you have been a very good friend of mine.

The Minister presents a picture of numerous grants being made, of aid being given, and of systems being put in place to help the chemical industry, but what about the problem of over-regulation, which the hon. Member for Bolton, South-East, mentioned? Both at a European and a domestic level, many industries are heavily over-regulated, which causes massive unemployment. According to Lord Mandelson, 4 per cent. of GDP is lost in over-regulation, which must affect the chemical industry as well. Does the Minister not agree that it would be in our national interests to override European legislation and instead pass legislation here?

Ian Lucas: The hon. Gentleman puts an interesting proposition to me, which, unfortunately, I shall decline. As a Minister responsible for regulatory reform, I am well aware of the importance of better regulation. Regulation in the chemicals industries is extremely important. My hon. Friend referred to the perceptions among the general public about safety in the chemicals industry. The relationship between risk, safety and regulation is vital to the continued confidence of the British public in the chemicals industry. We heard from my hon. Friend that the chemicals industry has a very positive safety record, and that depends on good regulation being properly and intelligently enforced. I say to the hon. Member for Stafford—

Mr. Cash: Stone.

Ian Lucas: I am sorry, but Stone is in Staffordshire. I apologise to the hon. Gentleman from Staffordshire who represents Stone. On this issue, it is important that regulation is based on logical and—I hesitate to say it—scientific criteria, and that it is intelligently drafted and applied. It is very important that at both European and national level, we consider the effects of legislation at an early stage. Regulation is very important. We have to command the views of the general public, but be conscious of the necessary impact that regulation will have on business.

Mrs. Betty Williams (Conwy) (Lab): Let me first say what a pleasure it is to be in this Chamber under your chairmanship, Mr. Wilshire. May I also wish you all the very best in your retirement? I congratulate my hon. Friend the Member for Bolton, South-East (Dr. Iddon) on securing this debate and thank him for devoting it to our late friend, Dr. Ashok Kumar, for whom we all had great respect.

Will the Minister tell us whether we are likely to see further regulation concerning safety? I am talking about the safety of transporting chemicals along our roads. I serve a north-west Wales constituency, and transporting chemicals has been a particular concern of mine.

Ian Lucas: My hon. Friend raises an extremely important point. I know that there is genuine and profound public concern about the transportation of chemicals. However, we have a very good safety record in that regard, which we must maintain. That will involve co-operation between Government, the industry and trade unions, and it will involve presenting the good practice in the industry to the general public.

The chemical industry has faced difficult times over the past 18 months, and the Government have been supporting it in the best way that they can. It is clear that the high level of skill required in the industry needs to be built on, so we must focus on developing highly skilled technicians in the sector. Moving to a low-carbon economy is not an easy task for an industry that has been highly dependent on fossil fuels.

[Ian Lucas]

I visited the INEOS plant at Runcorn, which is contributing to the reduction of the carbon footprint of the sector. I heard at first hand how the municipal waste from the north-west will be used to generate power for INEOS's chemical processes. That is a model approach to change in the industry, and one that should be greatly encouraged.

I also had the good fortune to visit the Wilton plant in the north-east, where major progress is being made. Innovative approaches are being taken to the use of new technologies, new sources of energy and new fuels. The industry is long-established—I heard about the industry's Roman roots while I was in the north-east—and it has the capacity for change.

Bob Spink: I, too, wish you well in the future, Mr. Wilshire. Particle physics and, eventually, chemical engineering will change drastically as a result of the experiments taking place with the large Hadron collider. While promoting near-market development, will the Minister also agree that innovation is important for the industry? Will the Government continue to fund blue skies research, such as that done through the LHC?

Ian Lucas: I think that the hon. Gentleman has been slipped a copy of my speech, because I was just about to move on to the importance of innovation. Blue skies thinking is very important, and it is something that we have been good at in the UK in the past. We should be proud of our science and innovation record and of this Government's massive investment in the university sector since 1997, which is evident when I travel round the country visiting universities. What we also need to do better is translate some of that blue skies thinking and innovation into manufacture. We must carry forward the powerful ideas from the universities to create manufacturing capacity and employment in the UK.

The Government, and my Department in particular, have made a strong commitment to ensuring a constructive and positive relationship between industry, trade unions and Government. We believe that such a relationship is essential to building the foundations of a sustainable manufacturing industry in the UK that has the capacity to change in a low-carbon world. We have tremendous potential in this country. We were the first industrial nation—

Mr. David Wilshire (in the Chair): Order. I am sorry to interrupt the Minister, but he went past a full stop, so I have to call a halt to the debate.

Motorways and Trunk Roads (Litter)

1.30 pm

Mike Penning (Hemel Hempstead) (Con): May I also pay tribute to the work that you have done in this House, Mr. Wilshire, in your time as a Member of Parliament and as the Chair of important Committees and of Westminster Hall? I wish you well in whatever else you go on to do.

I asked for this debate out of the anger and real frustration that I, my constituents and indeed everyone in the country has experienced at the fact that our great country and our excellent road network are being blighted by the rubbish that is continually being discarded; the network in my own part of the country is being particularly blighted. That rubbish is either being dumped from vehicles or it is escaping from the top of waste disposal vehicles or skips on to the highways. I am very aware that there is legislation in place to deal with this problem. Frankly, however, having driven around the highways and byways of Britain, particularly our motorways, I know that it is not working.

At this stage, I would like to pay tribute to Keep Britain Tidy and the Campaign to Protect Rural England. Those organisations did not lobby me to secure this debate, but once I had secured it they were very quick off the mark to contribute and their briefings have been very useful.

As someone enters this country, or as they enter a town or one of our great cities, there are first impressions that will stick in their mind. If someone leaves the great city of London and travels up the M1 from Brent Cross, they are driving through a rubbish tip—there is no other way to describe it. Sadly, as I travel on that motorway all too frequently, I know that traffic builds up and drivers sit there, waiting for the traffic to move on. As they do so, they glance to the side and they see a build-up of rubbish that has obviously been thrown from private vehicles or that has escaped from commercial vehicles. Clearly, that rubbish has been there for some considerable time. That is obvious, because a modern drinks can takes an awful long time to break down, as does a crisp packet.

Indeed, the other day I was amazed to see a Marathon bar wrapper that had been discarded. Marathon bars have not been for sale in this country for some considerable time; they have been renamed "Snickers", or whatever the company wants to call them these days. I do not actually eat those bars, but I am aware that they have not been called Marathon for some time. I tried to find out when the brand or name of "Marathon" went out of use, but I could not find that out. However, it is certainly several years and yet these Marathon bar wrappers are still sitting on the side of our highways and byways. They are the type of awful litter that is blighting the countryside around us.

That is unfair on towns such as Hemel Hempstead and in particular on local authorities such as my own, Dacorum, which do everything they can to clear up the refuse and litter that is thrown around, for whatever reason. My town of Hemel Hempstead is very clean; I am very proud of it.

However, a driver might come off the M1 at junction 8 in my constituency. Before going further, I would like to pay tribute to the Government for the excellent

road-widening that took place in my constituency, in particular the work done between junctions 6A and 10. I also pay tribute to Neil Owen, who was the team leader for the Highways Agency, and to John Hollaway, who was the project manager for Balfour Beatty. They have brought onstream a fantastic piece of motorway networking.

That piece of motorway has only been open for about a year, but if a driver looks at it now as they enter my town it is absolutely covered in litter. I must ask who is looking after that piece of motorway? I asked my local authority whether it had any right to go down there and, even if it was not going to be paid for it, to clean up. I was told, "Oh, no, that's very much the responsibility of the Highways Agency." I then looked up what the Highways Agency has been doing. I found that every week 13 tonnes of litter is thrown or discarded from vehicles around the country.

The Parliamentary Under-Secretary of State for Transport (Chris Mole) *indicated assent.*

Mike Penning: I could not find a breakdown of what proportion of that litter is coming from private vehicles, as people go about their normal daily business in their cars or vans, and what proportion is escaping from refuse vehicles or skips, which is a problem that I alluded to earlier. I suspect that any such breakdown would largely be guesswork, anyway.

There is legislation on the statute book to deal with the problem of litter escaping from commercial vehicles. We have all driven down the highways of this country behind a lorry and seen litter—commercial paper, etc.—escaping from the back of those vehicles. I hope that the Minister will address that issue when he responds to the debate.

Apparently 13 tonnes of litter are being thrown from vehicles every week. However, according to the figures that I have here, 50 tonnes of litter are being cleared from just five motorways. So, are there special roads in this country that are being cleared while other roads are not being cleared? Clearly, the M1 in my part of the world, which is the responsibility of the Highways Agency, is hardly being cleared up at all. As I have said, I know that simply by looking casually out of my car window and seeing the length of time that some litter has been left in place.

However, it is not just the Highways Agency that is responsible. Some local authorities, particularly the county authorities, have their own highways teams. In my own constituency, for instance, the A41 is a wonderful bypass that was put in several years ago. To come into Hemel Hempstead from the west, drivers come off the A41. However, it is possible to mark the line when a driver enters my local council's area by the litter line. That litter line is there. It is also possible to mark the line by seeing how the hedgerows have been cut back, etc.

So I have a question to put to the Minister: I noticed that he was nodding, from a sedentary position, when I mentioned that 13 tonnes of litter is being discarded from vehicles every week. I want to ask him how the cleaning of that litter is being carried out. What sort of system is in place?

Frankly, I am very angry that our beautiful countryside is being blighted. To meet our transport needs, motorways cut through the Chilterns and many other great and beautiful areas of our country. But people, such as my constituents, who pay their taxes, including huge amounts of road tax and other duty, are driving along the highways and byways of the country to look at what? If someone is a passenger, they look out of their window and what do they see? Refuse. Everywhere you go, there is rubbish and litter.

In my personal view, I do not think that it should be the job of the Government to pay lots of people to clean up that rubbish. Clearly, that is what we are doing: I am sure that the Minister will tell me how much the different agencies are spending on that work. I think that the people who should also contribute to this work are the people who need to pay back the community when they have done something wrong but who have not been sent to prison.

I am particularly interested in the wonderful community punishment and rehabilitation orders that our courts are being encouraged to give out to defendants who have been found guilty of certain offences. The sorts of projects that those people should be doing are supposed to be priority projects to allow high volumes of offenders to work in the community safely. I cannot think of a better thing for someone who has committed a crime and gone through the court process but not been sent to a prison than to have to carry out—as it says on the packet—a "punishment and rehabilitation order", to come out into the community and pay back the community by fixing something that has been blighted and damaged.

Mr. William Cash (Stone) (Con): I could not agree more with what my hon. Friend is saying. He is right to place huge significance on this problem, both in terms of the damage to our landscape and in terms of the use of juvenile offenders and other people who would be able to come into an area and deal with the litter that accumulates. That litter includes the dangling plastic bags and other pieces of plastic that get caught up in the hedgerows all around the country. In my constituency of Stone, I get absolutely furious when I look at such litter. I see the problem that my hon. Friend is so rightly concentrating on. This is a real bread-and-butter, nuts-and-bolts debate of great importance.

Mike Penning: I had not intended to take any interventions in this short debate, but I am now pleased that I did so. I have been to my hon. Friend's constituency and it is a beautiful part of the world, which he represents fantastically well. However, these plastic bags that he mentioned blight the countryside. My farmers talk to me about them on a regular basis, not least because if they have any cattle or sheep—I have a lot of sheep farmers in my constituency—they know that the number of animals killed each year by plastic bags is very high.

One of the things that I noticed the other day in a hedgerow on the M1 was audio tape. Clearly, someone had tossed out of their vehicle a small audio tape: such tapes used to be the fashion in our cars, before compact discs and everything else that came along after. I do not know when the person tossed out the tape, but they seem to have tossed rather a lot of them. It is now a sort of moving graffiti—when the sun catches it, one cannot miss it—yet it seems to have been sitting there forever.

How do we address the problem? We are in a tight fiscal situation. I am sure that agencies—particularly the Highways Agency, which the Minister is going to

[Mike Penning]

discuss in a moment—will say that they are short of money and cannot get to such places as often as they would like, but thousands of community punishment and rehabilitation orders are given every year. I have read the literature, and the orders seem absolutely perfect for the purpose. I also looked to see whether other countries use offenders for such tasks to pay back the community. It takes place around the world.

As I dug deeper, I was surprised that not many people in this country are out there paying back. I got an e-mail from a magistrate in London who, for obvious reasons, does not want to be named in this debate. He discusses

"the government's concerns on prison overcrowding and the pressure on the judiciary to use more community sentencing."

That is eminently sensible. I would prefer people who should be in prison to be there and people who can pay back in the community to do so. I am sure that we would all agree that a community payback project should not be the soft option, that it should be visible and that the people involved should work hard. Yet attached to the e-mail was another e-mail from a gentleman called Malcolm Jenkin, director of interventions for London Probation, who said:

"Please be advised that, due to budget restraints, London Probation has temporarily ceased using casual status Project Supervisors in Community Payback."

It goes on to say, in effect, "Please don't do this." I do not blame the Minister, who I am sure can feed that back into the Justice Department, but it is absolutely ludicrous that magistrates are being told on one hand not to put young people—I apologise. Not all people who commit offences are young people; far from it. There are a lot of very good young people doing fantastic work in the community. I do not want to brand them. The courts are being told not to give so many custodial sentences and to use these wonderful community punishment and rehabilitation orders, but the people who are supposed to administer them are asking courts not to give them out.

The e-mail says that community payback teams have:

"Merged many groups to ensure that they are used to maximum capacity"

and

"reserved weekend sessions, where possible, to offenders".

That is not what community payback was designed for. It was designed to be exactly what it says on the tin: a community punishment and rehabilitation order. It is imperative that the Government get a grip on that and put such people out in the community where it is safe to do so. Believe me, people can work on roads in safety. It is done regularly. Otherwise, we would not be able to pick up the 500 tonnes that I am sure the Minister will tell me about in a moment.

If the Government did that, we could start to recapture the beauty of our countryside and towns. Motorways are driven through areas of outstanding natural beauty or areas that have experienced natural regeneration since the motorway was built. We must take the opportunity to keep such areas tidy for the sake of first and daily impressions, so that both visitors to and permanent residents of this country can care about it.

There seems to be a complete lack of penalties available for people who litter from vehicles, although there are plenty on the statute book. How many people have been prosecuted in England in the past 12 months for littering from a car? Presumably they were picked up by Highways Agency vehicles, unless the Highways Agency cannot do so. I understand that it has no powers to issue such penalties. If someone on a motorway is chucking rubbish out the window of their car, who is responsible? If it is the traffic police, I must say that they are few and far between in my part of the world, having been mostly replaced by Highways Agency vehicles.

This is a serious debate. I am sorry that I got only a half hour. I wanted an hour and a half, as I knew that some colleagues wanted to debate it as well. The issue affects everybody in this country. Those of us who are enormously proud of our country cannot understand why anybody would want to blight our countryside and roads by throwing refuse out their window. Those who do should be penalised, and those who let down their community and country should pay it back under the orders. I hope that the Minister will ask the relevant Justice Minister to explain why the orders are not being used in a sensible way.

Mr. David Wilshire (in the Chair): Welcome back, Minister.

1.44 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): It is a pleasure to serve under your chairmanship for the second time this afternoon, Mr. Wilshire. I did not realise earlier that this is likely to be one of the last times. I wish you well for the future.

I congratulate the hon. Member for Hemel Hempstead (Mike Penning) on securing this debate and providing us with an opportunity to discuss litter on motorways and trunk roads. I recognise that litter on our motorways and trunk roads is of considerable concern to road users, neighbouring communities and businesses, as well as to the officials and contractors who must deal with the problem.

Some 700,000 sacks of litter are collected from the motorway network each year. Between 18 February and 11 March this year, 745 sacks of rubbish were collected on the M25 along the northern approach towards the A4127 during 35 visits to the area by the Highways Agency's service provider. On the M11 between junctions 6 and 9, an estimated 80 to 90 sacks of litter are collected each week. In fact, the increased amount of litter being deposited on the M11 has required additional resources to be allocated to the task.

Picking up litter along a high-speed carriageway is a dangerous, continual task, and appropriate traffic management may be required to protect those engaged in that crucial work. I do not want to disagree with the hon. Gentleman about the role that community punishments might play in providing additional resources for addressing the problem, but I caution him that there could be safety issues involved in using untrained, inexperienced staff in an environment that can be dangerous. I do not demur from what he said about the value of community punishments. I have seen offenders painting benches in kiddies' play parks in my constituency, and I appreciate the value of such activities and the sense of

payback that I hope individuals receive from being asked to take part in them. I am more than happy to take away his suggestion and discuss it further with Highways Agency officials and colleagues in the Ministry of Justice.

Mike Penning: If the Government started by asking "How can we do this?" rather than saying "We can't do it," we would get a lot further. Other countries around the world have done it. It happens already in certain parts of this country. As difficult and back-breaking as the job may be, I suggest that the necessary training to pick up litter on a motorway that has been coned off is not huge.

Chris Mole: I will discuss the different types of roads, as I think that it will put my comments in a little more context for the hon. Gentleman.

Roadside litter is a national problem. It is unsightly. It pollutes our environment, blocks drains and endangers wildlife. It also presents a risk to service providers carrying out their maintenance duties and to public health. It is composed not just of crisp packets and sweet wrappers thrown from vehicles but of large items that have accumulated in lay-bys or been illegally dumped. Fly-tipping at lay-bys on trunk roads is an ongoing problem. Large items such as tyres, beds and sofas are regularly dumped. I know, for example, that it is a particular problem on the A11, A12 and A14. The Highways Agency regularly reports such accumulations to the relevant local authority.

Responsibility for clearing highway litter and sweeping carriageways is governed by the Environmental Protection Act 1990. Under the Act, the Highways Agency is responsible for litter collections on motorways in England, but responsibility for litter collection on the vast majority of all-purpose trunk roads, or A roads, rests with the appropriate local authority. The task of clearing litter from motorways in England is undertaken by the Highways Agency's service providers, which are required under their contracts to meet the standards set out in the Environmental Protection Act.

I cannot provide a specific cost for the collection of litter from motorways, as the task is included in the overall maintenance duties of the Highways Agency's service providers. As for the trunk roads, the task is undertaken by local authorities. The constant need to clear litter from roads diverts valuable resources away from road maintenance and repairs and places a financial burden on central Government and local authorities.

Responses to the Highways Agency's road user satisfaction survey rate reflect the central importance of keeping roads free of litter, and litter features frequently as a topic in customer correspondence received by the Highways Agency. A recent study by a major motoring organisation showed that 88 per cent. of its members feel angry about litter louts who throw rubbish on to our roads and motorways.

To counter litter on trunk roads, the Highways Agency works collaboratively with local authorities, whose responsibility it is to collect litter from such roads. For example, when the Highways Agency has traffic management in place on trunk roads for other works, if practical it notifies the relevant local authority so that litter picking activities can be planned to coincide with that so that disruption to the travelling public is minimised. In the west midlands, traffic management has been shared on 51 occasions on various routes during periods of routine maintenance or other works since July 2009, 12 of which have been since January this year. In the south-west, the local authority took advantage of the Highways Agency's traffic management to clear litter during the work to improve the A303 between Willoughby Hedge and Mere.

The Highways Agency's service providers monitor the whole motorway and trunk road network for cleanliness, with special attention being paid to areas of slow-moving traffic and places close to service areas. Some of those factors may be relevant to the geography the hon. Gentleman described. When they have concerns about the amount of litter on a particular trunk road, they contact the relevant highway authority and ask for the litter to be cleared. On some parts of the trunk road network, the Highways Agency is actively working with local authorities to reach agreements on litter picking duties, whereby the Highways Agency collects litter from the trunk roads on behalf of the local authority or provides the traffic management for the local authority to do so. Those are local arrangements and are not part of a general policy.

Mike Penning: The Minister is right that litter tends to build up where motorways end or where there is often congestion at junctions. When motorways go through cities, there can be a wind tunnel that picks up the litter. Can the Minister arrange for the relevant agency or local council to drop me a line to tell me what work is being done in my part of the world? In particular, it would be great if the road signage and sandbags that were left over from the roadworks at junction 8 of the M1 could be picked up. We are talking about litter and rubbish, but things are often left over when work has been done. I do not know if sandbags are biodegradable, but they are doing their best to deteriorate because they have been there for so long.

Chris Mole: I will certainly raise with Highways Agency officials the hon. Gentleman's concerns about the signage that has been left following the recent roadworks.

Litter would not be such a problem if people disposed of it more responsibly. The Highways Agency encourages drivers and passengers to take their litter home with them by having a rubbish bag in their vehicle. The agency runs local events and an annual national campaign called "Bag it! Bin it!" to highlight the danger to other road users of throwing rubbish out of moving vehicles or depositing it along the roadside. The bags distributed as part of that campaign are biodegradable and can be recycled.

Mr. Cash: I hear what the Minister says, but his description does not deal with the problem in my constituency where there are trunk roads and a motorway. On the point made by my hon. Friend the Member for Hemel Hempstead (Mike Penning) on people being expected to use juvenile offenders' orders or other Ministry of Justice mechanisms, why could we not have a litter and rubbish removal order that is allocated specifically for this purpose? Will the Minister speak to the Ministry of Justice about that? Like my hon. Friend, I would also like to be told how the Highways Agency is operating in my area.

Chris Mole: I said that I am happy to engage with my colleagues in the Ministry of Justice on the community punishment approach.

I am pleased that the national campaign that encourages people to take their litter home is supported by the AA, the Royal Automobile Club Foundation and the Institute of Advanced Motorists. Yesterday, the Highways Agency's south-east region began holding local events at motorway service areas as part of its ongoing "Bag it! Bin it!" anti-litter campaign that will run until 1 April. As part of the campaign, agency and service provider staff will engage with their customers to talk about the problems caused by litter on the network and offer bags to motorists. Initiatives with schools are being discussed in some parts of the country, particularly those located near litter hotspots. The agency has worked with some primary schools as part of the "Bag it! Bin it!" campaign.

The Highways Agency is working with local authorities wherever possible to find ways of improving litter collection. On the A30 and A38 in Cornwall, the agency now clears larger items of litter from the verges into holding sacks provided by Cornwall county council. A trial will soon start whereby Cornwall county council will provide recycling bins in lay-bys, which it will empty as and when required.

Mike Penning: I have read the literature and I have seen the "Bag it! Bin it!" campaign. I am pleased to hear that work is being done at service stations. There is no point in giving bags to customers once they have come out of service stations because it would have such a small effect. Surely we could work with service station providers to ensure that their bags are biodegradable because they invariably end up on the side of our motorways. Instead of giving out biodegradable bags when customers already have bags that are not biodegradable, service station providers should work with us to ensure that all of their bags are biodegradable. That would be eminently sensible.

Chris Mole: I was going to refer to work being done by the Department for Environment, Food and Rural Affairs and it might be able to raise that directly with suppliers and motorway service area providers.

The hon. Gentleman mentioned litter escaping from vehicles. There are issues with vehicles that should have nets across the back to contain material that could be drawn out by the wind and left on the highway. Highways Agency traffic officers keep an eye out for such vehicles and although they do not have direct enforcement powers, they can refer vehicles to the police so that they can investigate whether a prosecution is appropriate.

Mike Penning: It is not the police who have the enforcement powers on that matter, but the licensing authority for the waste vehicle. If the netting is not on the vehicle, it should be reported to the relevant body that licensed the vehicle under the waste legislation.

Chris Mole: The hon. Gentleman might be right about certain types of vehicle for which waste is the primary function. However, other vehicles might not be covered by that framework and could be pursued directly.

On the hon. Gentleman's point about prosecution for people who throw litter out of vehicles, traffic officers do not have those powers. It is not our intention to give them such powers because their primary function is to be the motorist's friend on the highway in helping to resolve accidents and situations. A line is crossed when they are given powers more akin to those of the police.

Mike Penning: I am not sure that is correct. I thank the Minister for giving way. He is being very generous and I promise not to intervene again in the next two minutes. Traffic officers do have powers. If one overtakes a Highways Agency vehicle while it is performing a moving roadblock, it is an offence under the relevant legislation. I understand that traffic officers are the prosecuting authority for such offences.

Chris Mole: The hon. Gentleman is right that it is an offence to pass a traffic officer engaged in a rolling roadblock, but I am not sure whether he is right that they have the power to undertake the prosecution. I think that has to be done by the police.

On its routes, the Highways Agency is continuously looking at ways to prevent the dropping of litter. In parts of the east region, signs requesting that the public take their litter home have been erected on slip roads adjacent to motorway service areas. Litter picking schedules were disrupted earlier in the year because of the severe winter weather, which resulted in a heavier than usual accumulation of litter, but they have now resumed. As the weather improves, and more people travel at weekends for leisure purposes, we are likely to see an increase in the level of litter that is deposited, which will put more pressure on the litter collecting authorities.

On 23 March, a representative from the Highways Agency attended a litter roundtable event hosted by the Secretary of State for Environment, Food and Rural Affairs and attended by senior people from a wide range of organisations, including supermarkets, fast food chains, local authorities and campaign groups. The remit for that meeting was wider than litter on motorways and trunk roads, but I am pleased that they are being included in the wider problem of litter across the country.

The Highways Agency is conducting strategic research into a number of key work aspects designed to develop and inform litter policy. Those include improving partnership working with key external stakeholders such as Keep Britain Tidy, Campaign to Protect Rural England and CleanupUK. In conjunction with local authorities, the agency is seeking to trial a number of initiatives, such as temporary anti-litter road signs, utilising variable message signs and partnership working with local business and industry.

To conclude, I thank the hon. Gentleman once again for securing this debate. This is an important issue and I hope he is encouraged and reassured by the information I have given about the work the Highways Agency is doing to tackle litter on our strategic road network.

Question put and agreed to.

2 pm

Sitting adjourned.

Westminster Hall

Tuesday 6 April 2010

[MR. MIKE WOOD *in the Chair*]

Gang Crime (London)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. Hanson.)*

9.30 am

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I am grateful for the opportunity to speak on gang crime in London. This will be my last speech of the current Parliament, and I am fortunate indeed that it is on a subject on which I have worked in different ways all my political career. One of the first things I did as a young woman interested in wider society was help out at a youth club in Paddington, so the issues have always been close to my heart. It is an important subject also because it speaks to social cohesion, to our sense of community and to what is happening to our young people.

Gang crime is of great concern to all our constituents in London, but it would be wrong to move on and discuss my concerns without talking first about what my Government have done on the subject, not least because it will save the Minister from having to go over it. Gangs are part of the wider serious youth violence agenda, and my Government have spent more than £17 million on that agenda since September 2007. Through my Government's work, we have seen tougher enforcement and sentences and new legislation to tackle violent crime and gangs.

The Government have also introduced gang injunctions, which enable local authorities and the police to tackle over-18s involved in gang-related violence by banning them from meeting other gang members, wearing gang colours, hanging around in certain locations and owning dangerous dogs. We are looking to extend that tool to 14 to 17-year-olds. Under a Labour Government we have seen a tightening of the law on gun crime and the introduction of a minimum sentence of five years for possession of an illegal firearm. I have campaigned successfully for a ban on replica weapons, because much of the gun crime in London is perpetrated not with real weapons, but with replica guns that have been rebored for shooting.

The Metropolitan police have also put in place various operations to deal with gun, gang and knife crime, including Operation Blunt, which was set up after the murder of Robert Levy in Hackney in 2005, and I pay tribute to the work his father has done since then on gangs, guns and knives. We have consistently provided funding for local institutions best placed to work on measures that help young people to leave gangs. In April 2010 the Government are pledging a further £5 million to tackle knife crime and serious youth violence.

Having set out my Government's achievements on the issue, and not wishing to detract from what they have done, I will say that we all know that it is not just a question of money, and certainly not just a question of legislation. Some of the legislation to which I have referred has not been used very much so far. It is a multi-dimensional subject, and I want to touch on some of those dimensions in my remarks.

As a consequence of the work that the Government and the Metropolitan police have done, we have seen an overall drop in crime in London. Statistics from the Metropolitan Police Authority from the 12 months to February 2010, when compared with figures for the previous year, appear to show that knife crime in London has decreased, as has youth violence.

The position in my constituency is similar. In fact, the figures seem to demonstrate that crime in Hackney is at its lowest level for 10 years, and I would like to take the opportunity to praise publicly the police in my constituency, and particularly the borough commander, Steve Bending, for their hard work in achieving that milestone. The figures show that the borough has seen a 7 per cent. reduction in knife crime and an 8.6 per cent. reduction in serious youth violence.

However, as a former Home Office official, I know that it is possible to debate the figures. Such statistics are sometimes a matter of art, rather than science. Fear of gang crime—not just the fear of being the victim, but the fear that mothers have about how safe their children are on the streets—has never been higher in my constituency, despite the welcome drop shown by the statistics. When we read about gang crime in the papers, we read about the victims and the gang members are often demonised. None the less, for every gang member and every victim of a gang member there are mothers, parents, families and communities that have been traumatised, and that is what makes it such a widespread concern.

Simon Hughes (North Southwark and Bermondsey) (LD): I pay tribute to the hon. Lady for securing the debate and for the work she has done on the matter, as I have had the privilege of doing some of that work with her. Does she agree that it would help hugely, particularly in relation to the fear of crime, if we could get the statistics agreed politically, as it were, and thereby avoid the alarmist reporting, sometimes by political parties and candidates, that makes the situation sound and feel worse than it is? If we could get that sort of agreement even in London between all the parties as a starting point in the next Parliament, we would at least reduce some of the alarmist material that is put through people's doors and read in the papers.

Ms Abbott: That is an interesting and constructive point. In my speech I will try to distinguish between the fear of crime and the actuality of crime, which is why I started by setting out the statistics. One of the things that whips up the public on gang crime is the reporting of it, partly by some of our colleagues—it is true of all parties—who sometimes slip into using the issue to whip up fear and detract attention from the welcome actual drop in crime. If we could move forward in the next Parliament, perhaps with the leadership of the Metropolitan Police Authority, to have agreed figures for crime in London, that would at least provide a sensible basis for debate.

We hear much about knife crime in London and read about it in both the local and national papers, but the national press rarely mentions the fact that the knife crime capital of this country is Glasgow and has been for many years, because knives have traditionally been

[Ms Abbott]

the way in which Glasgow criminals settle their disputes. The impression we might have, however, is that the knife crime capital of the country is Southwark, Hackney or Lambeth, so to be able to go forward on the basis of mutually agreed figures would be a real step forward.

I warn against alarmism and point to the welcome drops in crime shown in the official figures, but sadly the incidence of gun crime, rape and offences of violence against the person is on the rise in my constituency, as it is in the whole of London. Those are specific crimes, so to highlight them is not to say that crime as a whole is rising in London, because clearly it is not, but those specific crimes are rising. It is not unreasonable to suggest that gun crime, rape and offences of violence against the person are sometimes related to gangs.

It is not just a question of statistics. Recently we saw an extraordinary incident of alleged gang crime in Victoria station, just a few hundred yards from here. It appears that two gangs converged on the station and, in plain sight of hundreds of commuters, decided to take their feud and warfare to another level. Commuters in Victoria station witnessed a 15-year-old boy being stabbed in the chest in the ticket hall during the rush hour. Witnesses say that the culprits were wearing school uniform. As many as 12 young people could face charges in what is believed to have been a pre-arranged fight in which children turned up armed with knives.

I ask Members to pause and think about that. We all know about schoolboy and schoolgirl angst and tensions. We all know about schoolboys fighting and, perhaps, about gangs, but what in the culture of this city makes gangs of schoolboys and schoolgirls feel able to stab each other in plain sight during the rush hour? Does that not suggest that we have moved on from the situation 10 or 20 years ago to a very different and alarming situation in which people's loyalty to their gang, their determination to gain respect and their disdain for wider society overrides the caution that kept young people from having knife fights in plain sight, even a decade ago?

Sadly, even in Hackney, in my constituency, we have seen some unfortunate incidents of gang crime. I have with me the latest edition of the *Hackney Gazette*. The title on the front page is, "The Scourge of Teen Violence". Further on in the paper, an article states:

> "Gun and knife crime on Hackney's streets reached a terrifying peak last week in three days of violence in which a young footballer was stabbed to death and teenagers were targeted in two separate shootings."

One of those people was Godwin Lawson, a 17-year-old promising footballer, who was stabbed to death in Amhurst Park, Stamford Hill, in my constituency, in the early hours of last Saturday. Another incident saw shots fired in broad daylight while parents collected their children from a nursery in Allen road, Stoke Newington. Witnesses reported seeing two young people, one carrying a gun and one brandishing a knife, chasing another youth who was forced to take sanctuary in a shop. Just the week before, a young Turkish mother was shot dead at close range after answering a knock on the door to her mother's flat.

Something about these incidents—not just the violence as such but the brazenness and the fact that young people feel no fear and, paradoxically, almost that they have nothing to live for—is chilling. It represents a step change from the kind of schoolboy fighting and incidents with which many of us will be familiar.

Gun crime is a particular issue in London, partly because we seem to have more gangs. However, we have to be careful about what we define as a gang. A group of young men is not a criminal gang just because they are hanging about on the street. Many of those young guys hang about on the street because they live in two-bedroom flats with half a dozen siblings. Hanging about on the street is what they know, and they make a practice of looking as frightening as possible when actually they are not about serious criminal business. None the less, there are real criminal gangs in the city.

In 2007, it was said that 169 separate gangs were operating in London, and that Hackney, in my borough, had the most gangs—a total of 22. Again, we need to be careful. Not all the groupings are criminal gangs. The London-wide figure of 169 in 2007 was down on the figure of 200 in 2005, but it is still alarming.

I live on Middleton road in Hackney. One end of the road is dominated by the Holly Street gang—it is the gang next door to me—and the other end is dominated by the London Fields gang. I remember on my way home one evening talking to a young boy who was complaining that there was nothing to do in Hackney. I asked him, "What do you mean there is nothing to do? The council has just built a brand new swimming pool in London Fields." He said, "But you don't understand. For me to walk from here"—we were at my end of the road—"up to the London Fields lido means going into the territory of the London Fields gang, and I just can't do that."

One can exaggerate the issue of postcode gangs, but they are real, and they affect how young people, certainly in my borough, feel able to live their lives. They are real to women I know who are frightened that, if their son is waiting at a bus stop or walking down the street and is perceived by other young men to be someone from another postcode who should not be there, he will be at risk. They create all kinds of issues in organising youth provision, because one can put such provision in an area and think that it is well placed, but people from a particular postcode who might be physically near it will not come. Postcode gangs are a genuinely new phenomenon, and young people are terrified of crossing the street or riding a bus into another postcode for fear of stepping into another gang's territory.

Some of these gangs—this is certainly the case in Hackney—operate in areas next to houses worth £1 million. One of the glories of London is that it still has a diverse and mixed community, but, unlike some other parts of the world, it means that we cannot say that gang culture is something that operates at some remove, in some remote ghetto at the edge of the city, as it does in Paris, for instance. In inner London, one is never that far from a postcode where some gang is operating, so gangs and the related youth criminality are not something from which people in more prosperous parts of the city can turn away.

Why do young people join gangs? As ever, young people join gangs, even harmless social gangs, because they want a sense of belonging. They want mates, and they want to be able to function socially. Some of us will remember "Just William" and the outlaws. That little gang was perhaps the archetypal gang: young men

gathered together, glorying in their sense of togetherness and keeping just this side of what grown-ups would like. Unfortunately, the "Just William" kind of gang has morphed into the gang problem that we see on the streets of London.

What is the source of the problem? I would say that the underlying issue is education. By and large, young men who are at school or college doing AS or A-levels are not taking part in gangs. However, those who have aspirations and are trying to study may get caught up on the fringes of gang culture. That has happened to the children of friends of mine. Friends have been shocked to discover that their sons, who are intelligent, and who are studying and working hard, are involved on the fringes of gang culture because if they did not appear to be willing to relate to the gang culture in their school or community, they would be outsiders. They would feel that they did not belong. Any hon. Member who is a parent will know that there is nothing more important to young boys than belonging.

There is the social thing, but there is also education, as I said. There is no question but that the continuing achievement gap between black boys and the wider school population has some bearing on the involvement of African-Caribbean boys in gangs. That is why, since the 1990s, I have worked on the issue. I have convened think-tanks and organised conferences. I set up a project, London schools and the black child, and for the past seven years have organised an awards ceremony here in Parliament for London's top-achieving black children in order to reward and try to highlight those young people, both male and female, who are bucking the trend, going to school and university, getting top grades and studying law, medicine and so on.

However, the stereotype of black young people and gangs is pernicious. I organised my last awards ceremony for October 2009. We had Christine Ohuruogu, the Olympic gold medallist, and several television celebrities handing out awards. When we tried to interest the *Evening Standard* in the event by saying that it was to be held at the House of Commons, that we would have celebrities and that we would give awards to children who had 11 A*s at A-level, we encountered great resistance. Finally, it rang and asked, "Are any of these young people ex-gang members?" We said, "No", and it said that it was not interested. In other words, young people are a story if they are a stereotype, but a young person working hard and trying to do well at school does not fit the story. If we are going to deal with gang culture, we have to continue to address the educational gap faced by young black men and, increasingly, young Turkish men at school. The surest way of keeping young people out of the gang culture is showing them a way forward through education and the wider society.

I would not want to leave this subject without saying what Hackney schools are doing on this issue. Last month I visited Tyssen primary school, which is targeting underachieving Afro-Caribbean students with an innovative programme that engages them by using Nintendo DS "Brain Training", which has been successfully driving up their results, particularly in maths. Other schools in the area, including Hackney's first academy, Mossbourne, under the inspired leadership of Sir Michael Wilshaw, are working with and driving our young people of all colours to get some of the best educational results in the country.

Educational underachievement is an underlying issue in respect of gang culture. Another issue is the lack of role models, which the Government have addressed with their REACH programme of role models. None the less, the best role models are those people see in their own family. Both my parents came here from Jamaica and both of them left school at 14. When my brother and I were children our father went out to work every day God sent and, on a Friday, brought home his wage packet to my mother. That was our model of a real black man—a man who went out to work and looked after his family. He may have been a bit harsh and strict, but he had an unbending notion of financial responsibility. Sadly, in the estates around me in Hackney there are communities of young people who do not have male-headed households and do not see men or women going out to work every day. A father or mother, or a relative, going out to work and taking their responsibilities seriously is the most important role model for many of our young people—not some remote celebrity.

I am not saying—I would be the last person to say—that single mothers are the basis of this problem. I am a single parent myself, as are many of my friends, and we are rightly proud of our children. None the less, there are whole estates where hardly anyone is going out to work regularly, and that is a problem. To be fair, the Government have sought to address this issue. However, the absence of male role models is a serious problem.

As well as the more general absence of male role models, it is important to get more men into primary schools. I have visited a number of primary schools in my constituency in recent months and, with some exceptions, there is an absence of men in the classroom. All the evidence suggests that young black men, particularly—and, I suspect, working-class young men more generally—need to see men in the classroom; men taking education seriously. Even if teachers cannot be recruited, men could come and read to them, making a marked difference to their aspirations and their notions of masculinity.

I remember working with some American academics in the 1990s who said that to make a difference in respect of black men underachieving one had to get them when they were under 11, get men in the classroom and tie that in with activities in the wider community. Lord Adonis was interested in that when he was Schools Minister. I attended meetings with him to discuss what we could do about getting more black male classroom teachers. Whoever wins the forthcoming election needs to address that issue, because it is a key component in giving our young men—both black young men and white working-class young men—the role models that they can aspire to.

Simon Hughes: I agree. There are some encouraging signs. I chair the governing body of a primary school in Bermondsey and the head told me that more men are willing to apply to be primary school teachers and to do other jobs, partly because lots of people who had high-flying jobs in the City are not able to do them any more and partly because people are discovering that a career chasing money is not fulfilling. Lots of people are looking for a career change. There is the beginning of a realisation that one of the most valuable jobs that can be done as a man in London is to teach or to work

[Simon Hughes]

in schools. We should build on this new sense of responsibility. The hon. Lady is right. The next Government need to prioritise that. The local councils, all of which will be re-elected in May, need to make that a priority, too.

Ms Abbott: I am grateful to the hon. Gentleman for reminding me of this. Just recently there has been an uptick in the numbers of men going into schools. That is important.

One underlying issue in relation to gang crime, which is obvious but not often stated, is the high levels of unemployment in the inner city. Unemployment rates in my constituency are higher than the average: there is 8.8 per cent. unemployment there, which is the equivalent of more than 5,000 people. I remind right hon. and hon. Members that the figures are almost certainly an underestimate: many people are not counted at all because they do not even bother to sign on. The unemployment rates in Hackney, and in London as a whole, are higher than in the rest of the country.

It needs to be stressed that it is not just about overall levels of unemployment. When I was a child growing up in Paddington, before the days of Hugh Grant and the "Notting Hill" film, all the men in my life worked, often in light engineering and factories. In the 1960s and '70s, there was still a considerable amount of light engineering and factory work—my father was a welder, for example—and blue collar employment. In other words employment suitable for males without formal qualifications was available. In the past 20 years manufacturing and blue collar employment for males in London has collapsed. Whereas my father became a welder and had apprentices, even though he left school at 14, and was proud of being able to support his family, increasingly young men, both black and white, look around and do not see employment opportunities for them unless they get formal qualifications. It is much easier now for women than for men in the workplace, which is why I focus on education. But let us not forget that the collapse of male employment in London has helped create the problem that we see. That is not to say that because people are unemployed they are a criminal or should be a gang member, but it is part of the context.

Another issue behind the rising gang crime is the rise in materialism in the past 20 years. People want the bling, the clothes, the jewellery and the designer labels, and they want it now. There is no notion of deferred gratification among many of our young people. They watch MTV and music videos. They want glamour, glitz and materialism now and society appears to teach them that they can have it.

Things can be done about employment, but I would not want to leave the issue of employment without making a point about the Olympics, which were sold to those of us in inner London and east London—the Olympic boroughs in particular—as a way of providing employment and economic regeneration for people in the east end of London. I was shocked to find out a few weeks ago that of all the hundreds of apprentices on the Olympic park only one—just one—is from Hackney. I would not like to think how few of the apprentices are from ethnic minorities. If the Government are serious about these issues they must take steps, even at this stage, to ensure that proportionate numbers of the apprentices on the Olympic park, not even the skilled men, come from deprived boroughs like my own and that appropriate numbers come from the ethnic minority communities.

Before drawing my remarks to a close, I want to touch on the changing face of gangs in London. I am an east end MP, so I cannot talk about gangs without mentioning the Krays or the Richardsons. Historically, criminal gangs in London were white criminal gangs—that is why we remember the Krays, the Richardsons and so on. In more recent times, particularly if one reads the papers, many gangs have been African and Afro-Caribbean, although there is also a strong multicultural element.

Sadly, in Hackney we have had an issue with Turkish-Kurdish gangs. Overall, the Turkish-Kurdish community plays an important role in London. It is a huge contributor, and has helped to rebuild and regenerate the community with its business and retail activities. Since last August, however, there have been 11 shootings in north London. That has exposed the entire community to bad publicity, and I am concerned about what appears to be a fresh turf war between Turkish-Kurdish gangs based on drugs. Such gangs represent only a tiny minority of the community, but they have been responsible for 11 shootings since August last year. Recently, Hackney police announced an appeal to encourage witnesses to the murder of a Turkish man in Upper Clapton road, Hackney to come forward. A gunman is believed to have entered a venue and fired indiscriminately, suggesting that it was not a targeted hit but a way of sending out a message to a rival gang.

The Turkish-Kurdish community is keen to work with the police on this issue. I recently convened a meeting between the head of the Turkish-Kurdish community, my borough commander and representatives from the local authority. We want to move against this type of criminality, and against some of the retail premises and social clubs that might be implicated in it. I believe that a high-profile, systematic programme of joint action between the police, the council and local stakeholders to close down those few cafes that have been infiltrated by criminals will reassure the wider Turkish-Kurdish community and the community as a whole.

I want to touch briefly on the new issue of young women in gangs. Increasing numbers of young women are joining gangs, not only as the girlfriends of gang members but as gang members at some level. I had a long meeting with a girl who had left the gang culture, and she suggested that there were three types of girls in gangs. First, there were the girlfriends of gang leaders, who had some sort of status; secondly there were girls who were attached to gangs and handed round from gang member to gang member, and thirdly there were what could be called equal opportunity girl gangsters, who had their own girl gangs and were out on the street. Young women are still more likely to be the victims of gang violence than the perpetrators of it, but just as it is wrong to stereotype all gang members as coming from a particular demographic, it is also wrong to stereotype gang problems as being only about boys. We are increasingly seeing girls involved as well.

Not enough support is targeted at women and girls who are involved in gangs, and there is a shocking incidence of rape, sexual violence and exploitation against women and girls who are associated with gangs. Sadly,

r too many gangs, rape has become the weapon of oice against girl gang members and relatives of rival ngs. The crime of gang rape is on the rise in London. at is tragic, and a particular issue in Hackney, Southwark d other inner-London boroughs. It is increasingly rried out by criminal gangs and is linked to various her forms of crime. In his 2008 manifesto, the Mayor London, Boris Johnson, promised to build more e crisis centres. I want to use this speech to urge him consider building one in Hackney, because of its high idence of rape and gang rape.

There is an issue about the use of dogs as weapons. nother matter that does not get enough attention is failure of the Crown Prosecution Service. A recent of reports by the Crown Prosecution Inspectorate oked into the performance of the CPS in boroughs oss London. It showed that in too many boroughs, CPS was deemed to be poor at securing conviction es, especially in cases where witnesses were likely to intimidated, such as in gang-related crimes. The orts ruthlessly exposed the failure to deal with gang me and gang violence in boroughs such as Hackney. I the head of the CPS in London and the legal ector for the north region, Alison Saunders and ice Ononiwu, to discuss why that was the case. They me that there was a lack of staff, but they assured that they were acting to improve their performance. ill be watching that closely. The police and the mmunity can do their best, but if the CPS is failing—as nt inspectorate reports seem to suggest—it is letting n the community as a whole.

n closing, I acknowledge what the Government have e, particularly through legislation and by pouring ey into initiatives. I acknowledge what has been e by the ex-Mayor of London, Ken Livingston, the sent Mayor, Boris Johnson, and the Metropolitan ce Authority in focusing on those issues through atives such as Operation Blunt. I acknowledge that res for crime in London are going down overall. vever, the fear not only of being a victim of a gang, that one's child—male or female—will get caught n gang-related activity, is a real issue for many of constituents, whatever their colour, race, class or nality. It would be remiss of me as a Member of iament if I did not bring that matter before the se.

ckling gang crime in London is complicated and ires a long-term as well as a short-term strategy. e needs to be more focus on young women, both as bers of gangs and as victims of gang crime. We better provision for victims of rape to secure ictions, and the CPS needs to raise its game. Local orities and the police must work closely together to t venues that are believed to be fronts for illegal ations, and there needs to be a continuing emphasis osing the achievement gaps between some minorities the school population as a whole.

stems should be put in place and funded for young le who wish to leave gangs. Even in the current omic crisis, we must focus on getting young people work and encouraging them to take up apprenticeships. ething must be done about the Olympic site because cord in providing apprenticeships for the Olympic ughs is poor. We need stricter rules for those found using dogs as a weapon of intimidation. We need a f targeting educational issues and strict enforcement. I speak not only as the Member of Parliament for Hackney, but as a mother and a resident in Hackney, and I want strict enforcement of the law on gangs, and I know that other people do too. Above all, we need a broad strategy that engages with the community as a whole. Only then will we deal with the gang crisis and with the fear of gangs in our midst.

London is a great city; I have lived in it all my life. I was born in London, and it never fails to be a source of pride to me that I lived to become a Member of Parliament in London. It is a great city with many amazing things to its credit, not least the extent to which communities in London manage to live so happily side by side, and the culture and variety that the city offers. It should not be disfigured by the scar of gang crime. Ministers have done much, but there is still much to do.

10.9 am

Simon Hughes (North Southwark and Bermondsey) (LD): It is a pleasure to follow the hon. Member for Hackney North and Stoke Newington (Ms Abbott), and I repeat my compliments to her about today's debate, the wisdom that she brings to the subject, her personal commitment and the work that she has done in all sorts of ways. At the end of this Parliament, perhaps I can mention specifically the work that she has done with young black men on educational aspiration, and note the annual conference in the Queen Elizabeth conference centre that she organised, as well as other events, some of which I have been privileged to attend. Such things are important in ensuring that every single Londoner—everybody who was born in London or who has come to London—feels that they have an opportunity to succeed, to do well and to be respected by their peers. If youngsters know that they can achieve that outcome, they are likely to target that and not other things.

The normal numbers of people are not here today because people are slightly distracted at the moment. The news tells us that the Prime Minister is probably going to Buckingham palace at this very minute to ask the Queen for a Dissolution, after which we will have a general election. If that is the case, as we expect, crime and the fear of crime will, not surprisingly, be an election issue again in London and elsewhere. That is why, as I said in my first intervention on the hon. Lady, I hope that, whatever differences there are in the next Parliament, and whatever the outcome of the election, we can at least agree on some things and share the facts accurately and well.

The Minister knows the importance of such issues, having been involved in them in different capacities over many years. In the past decade or so, we have had real difficulties with different sets of statistics. The British crime survey statistics and the Home Office statistics do not always say the same thing, with one lot collecting figures on the over-16s, but not the under-16s. It is easy to misrepresent the position and sometimes to exaggerate the problem and increase the fear. I make a pledge that I will work to ensure that those of my colleagues who are elected in London to sit in this place, as well as those who are elected to sit on local councils in London or on the Greater London assembly, work together to try to ensure that we have a common basis of information so that local papers and political parties do not misrepresent things. We should not play on people's fears to win votes or sell newspapers.

[Simon Hughes]

I pay tribute to the police in London, who have learned a lot and come a long way in recent years. We had a real struggle in the '80s to get the police to associate with, and relate to, the whole community. The new Metropolitan Police Commissioner, whom I met again the other day, is very focused on these issues, as well as being very practical and very realistic, and that can be seen in his senior management team and the operation of the Trident people and others.

The hon. Lady paid tribute to her borough commander, and I pay tribute to my new borough commander, Wayne Chance, who seems very level-headed and sensible. Commanders understand the importance in all our boroughs of the issues that we are discussing. Although such issues are more important in inner-city boroughs than in outer-London boroughs, they are not just inner-city issues. Boroughs such as Croydon and Enfield have been plagued just as much by gang violence as inner-city boroughs such as Hackney and Southwark.

I also pay tribute to those who have done good work in the Crown Prosecution Service, but I flag up at the beginning my concern that the CPS has not always got its act together and done its job as well as it should. I do not want to elaborate, but I simply endorse the hon. Lady's comment that we need a CPS that gets right the difficult balance between the benefit of sometimes prosecuting in the public interest and the benefit of sometimes not prosecuting.

We must ensure that people can have confidence in the criminal justice system. The police are often on the front line of the system, but the system actually includes the police, the CPS and the courts. I have always said that when police commanders are hauled in front of the public to provide answers in London boroughs, the leader of the council, the head of the local CPS and the senior district judge or magistrate should also be in the front line so that the public can see all those who are responsible for criminal justice in our communities.

Ms Abbott: Does the hon. Gentleman agree that it is important to put on record the progress that the Metropolitan police have made? I picketed my fair share of police stations in the '80s, and I was never an unthinking admirer of the police, but there is no question but that they have embraced some of these issues, and the quality of the people at the very top of the Metropolitan police has increased exponentially.

Simon Hughes: That is certainly true. However, if they read the record of this debate, as I expect they will, I do not want them to go away thinking that there is not more to do. Until the police service is representative of London and looks like London in terms of ethnicity and so on, we will not have the confidence of all Londoners. I still go to too many events where there are very few non-white faces doing the policing. I know that it is not the fault of the police for not trying, but they need to keep pushing. One of the lessons of the Stephen Lawrence murder and inquiry is that we need a different sort of police service. We have moved a long way, but we have a long way yet to go.

The debate is about gang violence, and we have to pause for a minute to reflect on how frightening gang violence is. It is bad enough to be attacked by another person or by two people, which quite often happens in street robberies, but when a group of people sets on one person—that appeared to be the case at Victoria station last week, where we saw the most dreadful sort of crime—or on each other, that creates fear, pandemonium and bedlam. A few years ago, gangs from the surrounding area used to go to the Surrey Quays shopping centre in my constituency. When they got on the bus together, they frightened the people on the bus, and when they got off the bus, they frightened the people at the bus station. They then went to the shopping centre, and anyone they met was in terror of what they would do as they rampaged around.

Gang crime is a really serious problem, over and above the issues of gun and knife crime. Although it is connected with them, it is a bigger issue. Gang crime requires specific analysis and specific responses, although that does not mean that we should not look at gun crime and knife crime. When I saw the commissioner the other day, it was reassuring to hear that the number of deaths as a result of such crimes had gone down in London. Less reassuringly, however, he told me that the statistics for knife and gun crime in the current year appear to have gone up again, which is troubling—it troubles him and it should trouble us. One troubling trend in recent years is that the age of the young people involved in such crimes has gone down.

I was privileged to take part in the Home Affairs Committee inquiry into knife crime; the hon. Lady will certainly be aware of it and may well have participated. The Committee had its first seminar in London on 17 November 2008 at the YMCA in Stockwell, and I and others gave evidence at the Chairman's invitation. I commend to those who read the record of this debate the Committee's seventh report, which came out on 2 June last year and includes a report of that seminar. I want to put on record a couple of the Committee's conclusions and recommendations, many of which deserve attention and a response.

The first point obviously relates to knife possession, but is part of the wider picture. The report states:

"The 2008 MORI Youth Survey indicated that 31 per cent."

nearly a third—

"of 11-16 year olds in mainstream education and 61 per cent. of excluded young people had carried a knife at some point over the course of the previous year".

A third of young people in mainstream education and two thirds of those who were excluded—in special schools or other places—had carried a knife. The Home Office survey two years before said that only 3 per cent. of 10 to 25-year-olds carried a knife. The truth may lie somewhere between the two, but the legitimate and illegitimate carrying of weapons, particularly knives, which are much easier to find than guns, is significant.

The second thing that the report made clear is that the

"vast majority of young people who carry knives say that they or their peers carry knives to protect themselves".

That did not used to be the case: people used to carry knives because it was cool and then because they thought that they needed them to keep up with their mates, but now it is for protection. The cause of that is the same as the cause of gang issues: young people need to feel secure. The one thing that would change a youngster's decision to go with a gang would be feeling secure in the

knowledge that they could say, "No thank you, I don't want to" and that other things in life were more valuable, whether their education, their family life or the respect that they enjoyed in the eyes of their family. We have to get to the root cause of the issue: youngsters' security.

We must also be careful that we do not confuse and conflate all these issues. When 10-year-old Damilola Taylor was killed in Southwark more than 10 years ago, he was attacked by a group of boys. Some of the attacks, deaths and terrible tragedies that we have seen, are caused by gangs or large groups of people, but some are caused by an individual and some are accidental deaths caused by a fight or act of violence that just got out of hand. Again, we must ensure that we do not misrepresent things.

There have been some very honourable events at the two recent games between Charlton and Millwall, two football teams in south-east London. By the way, I am happy to say that the first game was a draw and the second one was won by Millwall. At those games, parents of youngsters who are supporters of the two clubs came together, with the support of the two clubs, to win the argument among the fans and to ensure that people understood that the sort of violence that we are discussing today is unacceptable and is, in fact, no good. The methods that those parents used were really effective, but they did not all relate to gang crime. They related to the violence that is sometimes reflected in gang crime, and sometimes reflected in other activities.

I pay tribute to those who do that type of campaigning, because the families and peer groups of gang members and former gang members are the most effective people in winning the argument against gangs on the streets.

Ms Abbott: The hon. Gentleman raises a very important point about the role of parents. I was very shocked by one parent whom I saw at an advice surgery. A young boy came in and said to me that he was in trouble for carrying a knife at school. He told me that he had carried it to defend himself and his mother said, "Yes, he did carry it to defend himself and I allowed him to carry it to school to defend himself". The hon. Gentleman has raised a very important point about the role of parents and emphasised the importance of educating parents and working with them. Parents should know that there can be no circumstances in which they should collude with their child's taking a knife to school and I said that to that mother.

Simon Hughes: The hon. Lady is right.

Let me just select five more sentences from different parts of the conclusions to the Home Affairs Committee's report on knife crime and then I will go on to say some more about gang crime. The Home Affairs Committee is obviously a cross-party Committee and its report found:

"Sensationalist media coverage of stabbings has contributed to this 'arms race'."

That effectively repeats what I said at the outset about the importance of providing full and accurate crime data.

The report also found:

"A smaller number of knife-carriers say they carry knives to gain 'respect' or street credibility, or because of peer pressure."

So there is a group in that category, but they are not the largest group of young people who carry knives.

The report goes on:

"Individuals born into social deprivation are more likely to commit violence."

However, it also says that they are not the only individuals who commit violence and that others from the most respectable and crime-free backgrounds can get dragged into violence.

The report then makes a controversial point, but I believe that it is true:

"Evidence…supported our view that violent DVDs and video games exert a negative influence on those who watch and play them."

The report also says that when individuals are sent away to serve youth custody sentences, they sometimes still have access to that sort of violent entertainment. That cannot help.

The report reaches two other conclusions to which I would like to refer. First, it says:

"The prospect of a custodial sentence may not deter young people from carrying knives."

Instead, it is the prospect of "getting caught" that deters them. Young people are not normally thinking about a custodial sentence when they carry knives. Therefore, heavy, knee-jerk political responses such as, "Increase the sentence", are not normally the answer. A much more complicated response is required.

Secondly, the report did not recommend

"compulsory introduction of knife detectors"

in all schools. Instead, it argued that such detectors should be introduced selectively and where it is appropriate to do so. Similarly, the report said that stop and search is vital but that it needs to be carried out appropriately.

There are good signs. I have mentioned Millwall and Charlton who, like other football clubs, have sought to work from their local communities outwards. There are also lots of community campaigns that try to tackle gang violence. In my borough, there is a campaign called "Enough". In Lambeth, Southwark and Lewisham, there are other locally led campaigns. Sports action zones seek to engage young people in street and community sport, and they are really positive in providing diversionary activity. There is also good parental involvement in youth clubs and after-school activities, and more schools are providing pre-school, after-school and weekend activities.

In addition, there are really good youth clubs. The Secretary of State for Children, Schools and Families came with his whole ministerial team the other day to the opening of the Salmon youth centre in Bermondsey. That is a fantastic new facility, which has climbing frames, training, apprenticeships and all sorts of other things. There are excellent initiatives.

Mediation is also important. The Southwark mediation service has young mediators who seek to teach youngsters how to mediate at school and also how to back off without losing dignity. Gang crime is often about respect. How does a youngster deal with someone causing offence to themselves or their girlfriend, sister or whoever it might be, without thinking that they have to pile in and steam in to the "other lot" who caused offence? It is often about learning that there are ways of dealing with such a problem that mean taking a step back rather than going forward.

[Simon Hughes]

Mediation is also about helping young people to vocalise what they think, rather than physicalising it. There is an organisation called Speak Out, which teaches young people to speak about these issues as a way of communicating verbally.

We have touched on the causes of gang crime. Families and role models are really important, particularly the father, the older brother or the boyfriend. Violence at home is a factor. Families should not think that if they are violent at home, that does not make it more likely that their children will be violent out on the street.

I have already mentioned DVDs, videos and films. The hon. Lady rightly talked about the materialistic or "bling" age we live in and the culture of instant gratification. However, modern communication methods are also important. Flash mobbing happens. Someone can text and they can get loads of people together really quickly. They never used to be able to do that. Ease of travel is also important. It is a good thing, but it also means that a gang can all pile on a bus and be somewhere together, at no cost, in no time.

The answers to those problems are to provide the types of things that we have talked about: training, apprenticeships, and the incentives to believe that there is a valuable alternative to gang crime. That is why I have a problem with just thinking about what young people should do from the age of 14 onwards. I have always argued that we should introduce youngsters to work at the top end of primary school. There are some children in Southwark, as in Hackney and other places, who have nobody at home who goes to work. Those children need to see the benefit of work and the best schemes in that respect start with year 6 pupils in primary schools. The pupils go to do a week's work experience and they put on the kit or uniform to act as porters in the Marriott hotel, to count the money in Lloyds bank and so on.

What ought to happen about gang crime? I have made the pledge about crime statistics. I believe that there should be better data-sharing between hospitals and the police authorities, so that we identify where the problems of gang crime are worst. I also believe that we need stop and search, but it must be carried out sensitively. We need visible policing, but good neighbourhood policing is about good intelligence. Good intelligence is often the way to get into the gangs or groups before they really get going.

We also need larger numbers of detached youth workers in London. Like the hon. Lady, I was a youth worker for a long time before I was elected to Parliament. However, we do not need youth workers who sit in clubs waiting for kids to come to them; we need youth workers on the streets and street corners, who really know what is going on, who can act as role models and do other things. We also definitely need diversionary activities for young people.

The Government have worked hard on witness protection, but we still need better witness protection. I was involved in helping with the case of Jamie Robe, a young lad who was kicked to death, and I saw that people were terrified. Another youngster in my constituency, Daniel Herbert, was killed recently, apparently by a gang or a small group of people. Nobody has come forward to help. Everybody sort of knows who did it, but nobody has come forward to help. We need to ensure that we help witnesses to be protected. The Minister knows about this issue well. We should think about whether we need to go further than we have done already.

Ms Abbott: I am grateful to the hon. Gentleman. On witnesses, does he agree that, although there is, of course, adequate witness protection at the very highest level of gang crime, at the intermediate and lower levels there is not adequate witness protection? At those levels, people still do not feel confident about witness protection. In particular, they do not feel confident that they can be moved swiftly and effectively out of the area where they live, so that they are not subject to harassment.

Simon Hughes: I am working on a case where we have still not got somebody settled after moving her from her safe house to another area; I think that she has been in the new area for four years already, but she has still not been able to settle with her children. That was not a case involving gangs; it was a domestic violence issue. Nevertheless, we do not have a system that works, particularly between the police and local authorities, and we need to make it work much better.

I want to make a final point. The hon. Lady was right to say that what happens with gangs in London is that they decide that an individual will be part of a territorial group or some other group. It is often based on postcode. It can be based on a place, such as Walworth or Peckham. It can also be based on an ethnic group: Afro-Caribbean, Bangladeshi, Chinese, Turkish, Kurdish or whatever. The feeling of being "one of us" is a bit like being a football supporter, but it occurs at a much younger age and in a much more violent way. All young people want to belong. People do not want to be isolated; we want to be part of a group. It is a natural human instinct.

My view, having thought about and worked on the issue, is that it is best not to try to prevent people from supporting a particular team or being loyal to their school but to ensure that from the earliest age, they spend time with pupils from other primary schools or do things in teams with other secondary schools. As well as competition between places—that is natural; it is what the Olympic games are all about—we need collaboration between young people. The Globe and Walworth academies, on opposite sides of the Old Kent and New Kent roads, include children from both sides of the road. If they spent time together from a young age doing sport, science, art, theatre and drama, it would start to break down the barriers between them. Faith groups have a large role to play, as they do not have nearly the same territorial catchment.

I end with a plea for work to be done to ensure that we in London all understand that although we may be from Hackney or Southwark, we are also part of a wider community and ought to have links from an early age. If all families, schools, youth clubs and faith groups sought to instil that idea, people might think less about being in gangs. If, at the same time, we made youngsters feel safer from an early age, they would feel less driven to join dangerous gangs in which they, rather than the people whom they set out to attack, are likely to be the victims.

10.31 am

James Brokenshire (Hornchurch) (Con): It is a pleasure to serve under your chairmanship, Mr. Weir, for perhaps the last time during this Parliament; we understand that the Prime Minister has now left Buckingham palace after having sought a dissolution of Parliament. Many events are taking place outside this Chamber, but that should not detract from the importance of the matters that we are debating here. I congratulate the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) on securing this debate and highlighting many significant points that must be considered carefully in the context of the issue of serious gang violence.

The hon. Lady painted a picture of postcode gangs. It is absurd that where investment has been provided in community facilities for the benefit of young people, those facilities may essentially be off limits to particular young people simply because of their location. Young people, even if they are not part of a gang, may feel too frightened to use them, simply because they live in a different area. The development of postcode gangs also involves the absurd perversion of colours and other symbols to indicate gang membership, including safe colours for transit through certain areas. Buses and public transport can be places of significant fear for young people who are innocently trying to enjoy their own lives and are not at all involved in gangs or gang violence. The indiscriminate way in which some postcode gangs operate can draw young people into violence.

Gangs are also linked with sexual violence, as the hon. Lady mentioned, including rape and sexual exploitation. I am sure that the Mayor of London will hear her clear call for the establishment of a rape crisis centre in her area to deal with some facets of gang culture and the perversion and exploitation that sit alongside it.

The hon. Lady mentioned gang injunctions and new powers. The Conservatives supported the introduction of gang injunctions, but I hope that the Minister will be able to update us on whether any have yet been used. It is all very well to introduce new powers and legislation, but enforcement is crucial. That has been one of this Government's shortcomings—legislating in haste without necessarily setting out clear pathways for using the powers created.

The hon. Lady rightly highlighted the issue of risk, particularly during the transfer from primary to secondary education. Many young people are at risk when they go from being big kids in a small school to small kids in a large school and a different environment. It can be difficult for them, and may cause them to gravitate towards gangs. Recruitment may occur at that stage. Children with behavioural issues or special educational needs such as attention deficit hyperactivity disorder may become more and more isolated and thus more vulnerable to recruitment into gangs or similar exploitation. That is why we must consider carefully the link between primary and secondary education.

However, we must also celebrate success. We should in no way suggest that all young people are involved in gangs. Only a small minority of young people engage in serious criminal activity. Fantastic community projects are taking place across our city. Recently, I attended the launch of the Ten Ten theatre company, which goes into schools and uses drama to challenge thinking about knife possession and gang membership. Such concepts can be effective in engaging young people, challenging their perceptions of fitting in and addressing pressure to carry a weapon. We know that carrying a knife on the street makes a young person much more vulnerable to being the victim of a violent crime and having that weapon used against them, even though they may think that it protects them.

The London fire brigade is also doing good things with its LIFE project to engage young people and challenge them in a different way. It is a particularly good project. Another project by Metrac, the Metropolitan Action Committee on Violence Against Women and Children, uses sport to harness young people's energy positively and show them that they do not need to feel that they must fit in by joining a gang.

The shocking events of the past few weeks, involving the tragic cutting short of young lives, underline the continuing problems of gang crime, knife crime and youth violence. The fatal stabbings of 15-year-old Sofyen Belamouadden from Acton and 17-year-old Godwin Nii Lawson from north London remind us all of the effect of such appalling crimes on families, friends and whole communities. The increasingly brazen nature of some of the crimes that have taken place in our capital in the past few months is also shocking and disturbing. Although the number of teenage murders in London fell from 29 in 2008 to 14 last year, recent cases underline the continuing challenge and the need for vigilance.

Last week, I spoke at a conference in the docklands organised by Through Unity, a charity that brings together and gives a voice to families touched by appalling crimes of violence. Its members are ordinary people pushed to the forefront by unimaginable circumstances who, despite personal loss, demonstrate a driving sense of purpose, a desire for good to emerge from tragedy and evil and a commitment to bringing about change and improvement in our communities and our country. Through humility and grace, they turn adversity into hope.

The event was as inspiring as it was humbling. It was a reminder why we all need to focus on preventing more such crimes from occurring. I agree that families have an important role to play in advocating and driving through change. I have met families over the past few years who have, sadly, been touched in that way. Their passion for seeing good come from the loss that they have suffered is powerful and impressive. We need to work with such families as much as we can.

Simon Hughes: I am sure that the hon. Gentleman will join the hon. Member for Hackney, North and Stoke Newington, the Minister and me in appealing for those who know something about the unsolved London deaths of recent years to come forward, as this debate might be our last opportunity to do so. I have four names: Adam Regis, whose mum has tried to get to the truth, the rapper Isschan Nicholls, the teenager Billy Cox and the student Nicholas Clarke. There are others. As a city, we owe it to the families of those people to bring those who are responsible forward. Those who know something must speak out.

James Brokenshire: I agree with the hon. Gentleman. The sense that justice has been denied or has not been followed through is a recurring theme among many

[James Brokenshire]

families I have spoken to. There is a need for justice to be seen to be done. The perpetrators of crimes that have not been solved must be brought to justice. We need to consider carefully the protection and support that are offered to communities to ensure that people feel able to come forward, as he said in his speech. That is a significant factor that we must retain our focus on to ensure that these appalling crimes are solved and that those who commit them are brought to justice.

Part of the solution lies in more effective community policing. It is not good enough that less than 15 per cent. of a beat officer's time is spent on patrol. We need officers to be on the streets, not behind their desks. That is why we believe there should be a cut in the form-filling and bureaucracy that prevent police officers from doing their job and from providing the reassurance that so many communities desperately need. One practical example is that we would give the police greater discretion to make charging decisions on a number of offences to speed up the processing of arrests and get officers back on the beat. We would also give police officers the discretion to deal quickly and effectively with young trouble makers who are committing antisocial behaviour before they go on to commit more serious offences.

We need to improve the intelligence on the prevalence of violent crimes because many incidents go unreported. I endorse the Mayor of London's support for greater use of depersonalised A and E data across London alongside police data to provide a more comprehensive crime picture on prevalence, geography and trends. I welcome the fact that the Government are now acting on that and hope that the Minister will provide an update when he winds up the debate on the number of hospitals that are providing such data.

The risk of getting caught with a knife must be a real factor in the mind of someone getting ready to go out. That means that the police must make proper use of the power to stop and search. The Operation Blunt 2 task force has provided a focused response in hot spots across London and more people are being charged for possession of knives and sharp instruments. I pay tribute to the work of the Metropolitan police in carrying out such operations. When offenders are caught, they should usually be prosecuted and given the most severe sentences appropriate. Fines are an inadequate deterrent. There should be a presumption that offenders will receive a custodial sentence or a tough, enforced community penalty, not a so-called unpaid work requirement. The offender should wear a high-visibility uniform.

I pay tribute to the Mayor of London's work on the Heron wing of Feltham young offenders institution, which focuses on rehabilitating new young offenders and showing them that there is a different path. The fear is that once somebody is in the criminal justice system, it can be difficult to break them out and to provide an exit route from gang membership. I am following closely the Mayor's work on challenging such behaviour and preventing reoffending and further crime.

We would legislate to give police sergeants at the heart of community police teams a new authorisation to conduct searches for knives and other weapons. That limited power would enable them to act more quickly when they pick up intelligence suggesting that weapons are being carried in their community or that an act of serious violence is about to occur.

A recent Home Affairs Committee report noted that knife carrying is

"at a level to be of significant concern."

The hon. Member for North Southwark and Bermondsey (Simon Hughes) referred to some of the points made. I have touched on the issue of the perversion of protection. There is an issue with the insidious links to gang membership. Gangs use recruitment techniques that focus on people from less able backgrounds and that seek to exploit factors such as mental illness and unemployment. The Centre for Social Justice has highlighted clearly and commendably the fractures and fault lines that run through our society. We need to focus on the intergenerational dysfunction that lies behind youth victimisation, gang membership and youth crime. If a young person's experience of life is of violence and aggression, should we be surprised if violence and aggression are the methods by which that child seeks to resolve disputes?

There is a need for a change of approach. To make a sustained change that enables our communities to break out of gang violence and the scourge of crime, we must look to the long term as well as the short term. It is not simply about enforcement, but about the many other factors that have been highlighted this morning. We need a change that recognises the need for clear and robust sanctions for those who break the law, that devolves greater powers and responsibilities to those who respond to the problems on our streets and that recognises that strong families and communities are more effective at instilling a culture of respect and responsibility than any rule, law or regulation. Ultimately, societal change is required to promote safer and more cohesive communities not just in our capital city, but across our country.

10.46 am

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): I am pleased to serve under your chairmanship, Mr. Weir, for what will undoubtedly be my last Adjournment debate of this Parliament, although hopefully not the last of my time in Parliament.

I am grateful to my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) for securing this useful debate. She has a sound record of tackling this issue not just through policy, but by providing support on the ground for young people in her constituency and across London. The points she has raised have been supported by the hon. Members for North Southwark and Bermondsey (Simon Hughes) and for Hornchurch (James Brokenshire).

My hon. Friend has raised important policy issues with which the Government are wrestling. She mentioned education, which is crucial in raising the abilities and achievements of young people across London. She mentioned positive role models, underachievement and the importance of positive employment. I am sure that we all remember the importance of peer group support and of being part of a group when we were young. Sometimes that can be a positive experience, but it can turn into negativity, as she described. She mentioned the increasing role of women in gangs, which is an important issue. Last week, the Minister for Schools and Learners and I met with Carlene Firmin and Theo Gavrielides from Race on the Agenda to consider what

we could do following an important conference we attended recently in London that focused on how women are drawn into gangs, often unwittingly, to support their male colleagues, friends or partners, and on how they become victims of gang violence. I hope that we can discuss those key issues that she has raised.

The hon. Member for North Southwark and Bermondsey made a plea for integrity in statistics. I, too, want to see that because we need to be able to trust the statistics that we work with and to know that they are independent. He praised the work of the police in London and elsewhere. He helpfully drew attention to the Home Affairs Committee report that raised a number of important issues. He raised the way in which we develop interpersonal skills, how violence at home can impact on people's attitudes to violence in the community and the importance of witnesses and witness protection. I draw his attention to the fact that investigation anonymity orders, which provide for the anonymity of witnesses during an investigation to encourage them to come forward, are available from today for witnesses involved in trials for murders committed using a knife or gun. That is important legislation.

Ms Abbott: On the question of witness protection, is my right hon. Friend aware that a key issue for some of my constituents is that they need to be moved away from people who might take revenge on them? What are the Government doing to ensure that all London boroughs contribute to the pool of accommodation available in such cases? The problem is that some boroughs are not contributing to that, which makes it hard to move people.

Mr. Hanson: I will certainly consider that issue in detail. The purpose of the anonymity orders that I mentioned is to give witnesses anonymous protection in relation to giving evidence, which is important, rather than moving people around because they happen to be witnesses and are willing to come forward. That is an important part of the prevention mechanism for individuals. However, ultimately, we need to give people anonymity, so that they do not have to fear being moved. Even if individuals who give evidence are moved, they will ultimately face potential intimidation downstream.

The latest recorded crime statistics show that knife crime is falling. There has been a 7 per cent. fall in recorded knife crime and a 34 per cent. fall in homicide with a knife or sharp instrument. The risk of being a victim of gun crime remains low and recorded crime involving a firearm has fallen for the fifth year in succession—the number of recorded offences involving firearms has fallen by 18 per cent. between 2007-08 and 2008-09. Firearm homicides are at their lowest point for 20 years, violence incidence has fallen by 49 per cent. since 1999, and there are 2 million fewer victims. In London, which is of particular importance to the debate today, the number of homicides has decreased. As the hon. Member for Hornchurch mentioned, there were 15 such incidents last year and 30 the year before. Homicide overall is down 24.2 per cent. in the year to February 2010.

Gang-related offences in the Metropolitan police area account for very low levels of crime—less than 0.3 per cent. of all recorded crime. However, as my hon. Friend the Member for Hackney, North and Stoke Newington mentioned, although much work has been going on to help to drive down those figures, that does not mean that we are complacent or that we are satisfied with the situation to date. As hon. Members have mentioned, the murder of Sofyen Belamouadden at Victoria station on 26 March and that of Godwin Lawson on 27 March are stark reminders that such incidents occur. In many ways, those incidents were more visible and horrific than some of the other major incidents that we know about. Twelve young people aged between 16 and 17 have been charged with the murder of Sofyen Belamouadden, but unfortunately no charges have been brought in relation to the murder of Godwin Lawson. I send my sympathies to both families. Whatever the overall decrease in statistics relating to such crimes and the level of work that has been done, those incidents, which have occurred in the past month in London, show that issues still need to be addressed.

We have tried to tackle the problem through engaging in four main areas of activity: first, prevention; secondly, strong enforcement; thirdly, information and intelligence sharing; fourthly, rehabilitation. Our ultimate aim must be to prevent young people from being involved in a toxic and negative gang lifestyle in the first place. We and other Departments have tried to take prevention extremely seriously. In the youth crime action plan, which has been put in place across England and Wales in a large number of areas, we have considered a number of activities—for example, activities on Friday and Saturday nights, focusing on vulnerable individuals, after-school clubs, policing in our communities as a whole and other positive activities.

The Department for Children, Schools and Families has provided £2 million additional funding to the 81 local authorities that have been particularly blighted by youth crime and knife crime, so that provision relating to Friday and Saturday night activities can be boosted. We have put more than £270 million into the myplace programme to ensure that young people have high-quality, safe places to go where they can access activities to help them towards positive activity as a whole. That, coupled with the £4.5 million community fund and more than £600,000 of support given to community projects in London, is witness to the Government's work, to which my hon. Friend has paid tribute.

In light of that, on prevention activity, my hon. Friend will know—the hon. Member for Hornchurch mentioned this—that in September 2010, over-18 gang injunctions will be put in place. Legislation for that has been passed, but it will not be implemented until September 2010 for over-18s. If the Crime and Security Bill finishes its passage through both Houses in the week before Parliament is dissolved, I hope that we will be able to consider gang injunctions for under-18s.

We are strongly considering the question of enforcement. I accept what the hon. Member for North Southwark and Bermondsey said: sentencing is not necessarily an immediate deterrent. However, it is important that we consider sentencing as part of our work to help to reduce knife crime. The principle is that we need to catch people, and the threat of being caught is extremely important. The role we have given to neighbourhood policing and police community support officers, and the fact that we have the largest number of police officers ever in the capital city of London, shows that that is important. However, we also need to increase the

[Mr. Hanson]

strong stance on enforcement, which we have done. The starting tariff for the sentence given to adults who commit murder has been increased to 25 years. Those carrying a knife are more likely to go to prison than they were 10 years ago.

Dealing with enforcement also involves addressing important issues, such as knife arches, and a range of factors to do with test purchases in shops and other matters. It is important to ensure that we take the problem extremely seriously. In London, through Operation Trident, the Metropolitan police have disrupted 75 criminal networks. That has involved arrests and the confiscation of a range of live firing weapons, assets, drugs and other things that drive crimes related to young people generally. Action plans have been developed to address gun crime in the London boroughs of Lambeth, Lewisham and Southwark—the borough of the hon. Member for North Southwark and Bermondsey. Plans have been drawn up with the help of community leaders and independent members to ensure that we take the issue seriously.

Hon. Members will know that Operation Protect and Operation Blunt 2 have also dealt with these matters in an effective and important way. We have undertaken intelligence and information sharing, particularly in relation to hospitals, which the hon. Member for Hornchurch mentioned. We have worked closely with hospitals and I am happy to tell the House that 31 hospitals in London are sharing data. They are part of 110 hospitals across England that are currently sharing data. Some 84 of those areas are within the knife crime action plan areas, where we have recently announced additional resources of around £5 million to help to tackle knife crime in the longer term. Intelligence sharing is important, so that we can tie up neighbourhood policing with prevention and with an assessment of the threat in particular areas. It might be of interest to my hon. Friend the Member for Hackney, North and Stoke Newington to note that intelligence sharing has also involved information being given to Hackney community safety partnerships, so that they can target their activities in Hackney. Through the National Ballistics Intelligence Service, or NABIS, we are looking at the use of guns and the tracking of the use of firearms across the country as a whole. That has shown a very interesting picture of illegal firearms and their use.

We are also considering the issue of rehabilitation. Some people are being caught and some people are being sent to prison, but we need to change their mindsets and take them out of prison and youth offending in a positive way. Since last October, all youth offending teams in England and Wales—97 in total—and the teams across the 15 knife crime areas have been involved in working with offenders to change their attitudes on knife crime and to bring home to them the consequences of carrying a knife. That includes meeting victims and other agencies and working through how we deal with the matter. In January 2010, there will be a knife crime prevention programme pilot in Feltham young offenders institute to ensure that intervention is delivered to people, particularly in custody.

From my perspective, knife crime, gun crime and gangs are serious issues. My hon. Friend has raised some key points. We want to ensure that we work on prevention, enforcement, rehabilitation, tackling the long-term issues and working with the community to ensure that we reduce knife crime, gun crime and gang activity. We have a positive record, but there is more we can do. In the next Parliament, I look forward to working with colleagues across the House to make that difference, to reduce deaths and injuries and to break up the gangs that are having a negative influence across London. Many young people have a very positive influence on society and we should never forget that. The consideration we give to the positive work of young people is as important as that we give to gang-related violence.

Poverty and Inequality

11 am

Lynne Jones (Birmingham, Selly Oak) (Lab): I am pleased to have the opportunity to raise this important issue because it is very dear to my heart. I am sure that this will be my last speech as a Member of this House, so I am fortunate in having secured the debate. This subject is so complex that I could speak for a very long time.

During my speech, I shall draw on a number of important publications that I have recently read. The first is "An Anatomy of Economic Inequality in the UK" by the National Equality Panel—I congratulate the Government on setting up that panel because it demonstrates their determination to take inequality seriously. I shall also draw on "The Spirit Level: Why More Equal Societies Almost Always Do Better" by Professors Richard Wilkinson and Kate Pickett. Finally, let me draw Members' attention to an excellent publication by my hon. Friend the Member for Nottingham, North (Mr. Allen) and the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) entitled "Early intervention: good parents, great kids, better citizens", which is an excellent example of cross-party working.

Before this debate, I also read the transcript of the February 1995 debate, "Poverty and Unemployment", which was initiated by the late Donald Dewar, who was then Labour's shadow spokesman for social security. The debate was interesting because it showed the attitudes that prevailed at the time. The then Conservative Government denied that poverty was a problem and derided the whole idea of having a minimum wage, because, as they said, it would mean going from "low pay to no pay". Wages at that time were extremely low. Members in the debate cited examples of people being offered £1.50 and £1.90 an hour.

I should like to provide a brief history of inequality. On Good Friday, I was hoping to watch my son racing his bike at Herne Hill cycle stadium, which was built for the 1948 Olympics. The stadium is somewhat run-down and will no doubt not be used for the 2012 Olympics. None the less, it served its purpose at the time. In those days we were probably more equal as a society than we had ever been. The belief was that we should have maximum working together and joint effort. It was felt that we were all in it together and that having a more equal society was very important.

Unfortunately, I did not see my son racing on Good Friday because the heavens opened and it poured with rain. As cycle tracks are dangerous in the rain, the whole meeting had to be abandoned, and I had paid £12 to no avail. As I was coming home somewhat bedraggled from the rain, I thought about the money; £12 meant nothing to me and its loss had no impact on me. Then I thought, "What would it mean for somebody who was on the minimum wage, unemployed or in a low income family?" They might have saved up £12 to see their son racing, and for them it would be an awful lot of money to lose. However, for someone such as myself, who is highly but by no means outrageously paid—I am in an income in the 10th decile of the upper incomes—it was not much at all. That got me thinking about when I was younger. Our household was quite poor because my father suffered from schizophrenia and was unable to work most of the time. Although my father had a high level of education, we were probably among the poorest people on our council estate because in those days—in the '50s and '60s—there was full employment. My mother worked hard for low pay. She scrimped and saved to give my sister and me a good start in life.

When I started secondary school, my mother had to pay out quite a lot of money for my school uniform. The one item that I remember in particular was a pair of hockey boots that cost 17s 11d. I had been at school for only a week when some smart Alec decided to pull out one of my hockey boots from my locker, leaving me with just one boot. I was mortified because I knew that my mother had had to work hard to buy me those hockey boots. I did not tell her about losing one of them; I just made do with my pumps when playing games. I lost sleep at night over the waste, especially as I thought about the effort that my mother had spent on getting me those boots. Today, there are many families who would feel the same way if they had spent money on their children to no avail.

Although it was a more equal society in those days, I clearly remember the stigma that we suffered because my father did not work. He was ill, but he had no obvious disability because he suffered from a mental illness. We were ashamed that our father did not work and, unfortunately, those attitudes live on today.

I was fortunate because I received a good education and I prospered. Looking back, I can see how I prospered and how other people did not do so well. Inequality fluctuated slightly in the '60s, and even improved a little in the mid-1970s before slightly increasing after the financial crisis. During the 1980s, it soared as unemployment reached 3 million in 1983. At the end of that period, inequality had gone up several fold, which is well documented in the report of the National Equality Panel, the figures from which were used by my colleagues in the 1995 debate. None the less, our concerns were ridiculed by the then Government.

Thank goodness we then had a Labour Government, who took poverty seriously. However, I am not so sure that I can say the same about inequality. For those groups of people who were seen as the more deserving poor, the Government have introduced changes that have benefited them greatly.

Bob Spink (Castle Point) (Ind): I congratulate the hon. Lady on bringing the subject before the House. Her story is compelling and I am listening carefully. I entered Parliament in 1992 and, to be honest, in my time here I have probably moved, on the issues of equality and the distribution of wealth in this nation, more towards the hon. Lady than she has towards me. I thank her for that.

Poverty is most felt by elderly people on small fixed incomes. While the hon. Lady is talking about special groups, will she urge the Government to bring forward for that special group the re-indexation of basic state pension to earnings? Will she also take the opportunity to urge the Tories not to break the link again, should they form a Government at any time in the future? That was a major cause of poverty for that elderly group.

Lynne Jones: I thank the hon. Gentleman for that, but I think I got there long before him, when I was writing pensions articles calling for the restoration of

[Lynne Jones]

the earnings link and expressing great concern about the means-testing of people who did a little bit better for themselves than they would have by relying completely on the state. I urge whoever is in government not only to restore the link but to do so as quickly as possible.

To go back to 1997, the poorest pensioners were expected to live on £69 a week. Thanks to the current Government, no single pensioner in this country need live on less than £132 a week. In 1997 we were very much aware of growing inequality. It will be recalled that there was consternation about the executives of newly privatised industries paying themselves huge amounts of money in salaries and share options. The name of Mr. Cedric Brown comes to mind. At about that time chief executive officers were paid about 40 times average pay, but today they are paid about 81 times average pay.

There have been huge changes: the poorest pensioners and people on disability benefits have been guaranteed a minimum income; and there are now working tax credits and the child care strategy for families with children, with large numbers of extra child care places available, and help in paying for them, as well as Sure Start and improved maternity pay; and there is now a carers strategy and rights for carers, who are some of the most neglected people. However, sadly, inequality has continued to widen because of the large increases at the very top of the scale, such as those I have mentioned. It is not just a question of the highest-paid executives or a small number of people: the highest-earning 1 per cent. of the population has a huge impact overall on the median income—the income level at which half the population has more and half has less.

We have a divided society. Disraeli wrote in "Sybil" of

> "Two nations between whom there is no intercourse and no sympathy; who are ignorant of each other's habits, thoughts and feelings, as if they were dwellers in different zones or inhabitants of different planets".

Only last week, echoing those sentiments, Richard Lambert, the director general of the CBI, pointed out that chief executive officers are so differently remunerated that they are in a "different galaxy" from the rest of us. The recent *Evening Standard* pull-out special edition on London's forgotten poor, said:

> "London is a shameful tale of two cities: In the richest capital in Europe almost half our children live below the poverty line."

Despite the best efforts of the Labour Government in lifting half a million children out of poverty we still face a huge, uphill task. I congratulate the Government on their commitment, in the Child Poverty Bill, to bring down those horrendous figures.

As to solutions, we must first recognise that inequality is not just about the difference between the average and the poorest. It is about the total inequality in society. We are now a much more unequal society than many other countries in the OECD, apart from the United States and Portugal. The huge salary increases at the top end, which put people out of touch with the reality of life for those at the poorest end of society, have not been replicated in other countries with more equal societies, where economic development is just as good as ours, if not better.

Richard Wilkinson and Kate Pickett have set up an organisation called the Equality Trust. In their book they comprehensively argue that in rich countries a smaller gap between the rich and poor means a happier, healthier and more successful population in terms of life expectancy, achievement in maths and literacy, infant mortality, homicide, imprisonment, teenage births, trusting one another, obesity, mental illness, drug and alcohol addiction and social mobility. They say convincingly, based on their evidence, that if we halved inequality in the UK murder rates would halve, mental illness would reduce by two thirds, obesity would halve, imprisonment rates would reduce by 80 per cent., and trust would increase by 85 per cent. More equal societies benefit everyone—those at the top as well as those at the bottom.

Inequality is pervasive in society. It wrecks lives. Wilkinson and Pickett cite a very interesting study from 2000. World Bank economists Karla Hoff and Priyanka Pandey reported the results of a remarkable experiment. They took 321 high-caste and 321 low-caste 11 and 12-year-old boys from scattered rural villages in India and set them the task of solving mazes. First the boys did the puzzles without being aware of each other's castes. In those conditions the low-caste boys did as well as—in fact, slightly better than—the high-caste boys. Then the experiment was repeated, but this time each boy was asked to confirm an announcement of his name, village, father's and grandfather's names, and caste. The boys did the mazes and this time there was a large caste difference. The performance of the low-caste boys dropped significantly. The same phenomenon has also been demonstrated in experiments with white and black high school students in America. Black students performed as well as white when they were told that the tests were not a test of their ability, but when they were told that the tests were about their ability they performed much worse than white students, who performed equally in both tests.

There is a stereotype, and people react to it. There is plenty of evidence of biological impacts on people who are of low status and feel threatened. When they are happy and well adjusted they release high levels of the hormone dopamine—the feel-good hormone. When they are threatened and under stress, they are ready to strike out and they have high levels of stress hormones, including cortisol. That has an impact on their behaviour, as is well documented in the "Early Intervention" booklet. The authors—our colleagues—argue strongly for early intervention, between the ages of nought and three, when young children are extremely damaged if they are not given the nurturing and love that they need. I commend the booklet for the action that it proposes for future Governments, but we must see that in the context of the need for a more equal society. The current Government have already been trying to intervene. There have been area programmes such as the new deal for communities. However, we still find that those societies are disadvantaged.

It is interesting that the right hon. Member for Chingford and Woodford Green cites statistics about council estates. I think that in 1980 more than 70 per cent. of people living on council estates were on above average incomes and those areas were mixed areas, where people worked. Now, they are wholly deprived areas, and that concentration of deprivation has been the result of Government policies over the past 30 years that have not recognised that good-quality rented housing is important and should not be regarded as only for the very poorest. We have

seen the sale of the best council houses, which are lost to the stock altogether once the people who bought them move away. I am talking about the more affluent people moving out of council houses or people moving out of the area and out of council and social housing altogether. We have seen the ever greater concentration of deprivation in those areas. We must break that cycle and we must do that on the basis of tackling inequality.

There is a lot of stereotyping of lone parents, and many people in the areas that we are discussing are lone parents. However, the Wilkinson and Pickett evidence shows that more unequal societies have more lone parents and that in more equal societies, even families headed by a lone parent are not disadvantaged, because they are less unequal than they are in this country.

That brings me on to the point about the deserving and the undeserving poor. Rightly, hon. Members on both sides of the House have wanted to do their best for pensioners, for people who are obviously disabled, shall I say, rather than those who are less obviously disabled, and for children—so long as they conform to our stereotypes. Let us consider the case of children such as baby P and Khyra Ishaq. Society—both the authorities and the communities in which they lived—failed them. They are rightly seen as victims of our unequal society, but let us imagine what would have happened if they had not been killed and had been taken to a place of safety—taken into local authority care. What would their prospects have been?

Although children in local authority care represent only 0.6 per cent. of children, 25 per cent. of the prison population is made up of people who have at some time in their lives been in care. That is a disgrace. It does not happen in other societies. In this country, people in deprived areas who go into care do very poorly educationally, despite the best efforts of the Government and the fact that there have been improvements in educational attainment. Very few of those children go into higher education, whereas in Denmark, for example, 60 per cent. of youngsters who were brought up in care go into higher education. So it does not have to be like this. We do not have to have such a low regard for children. Our society does not have a high regard for children. Yes, when they are victims, it does, but when they are not well brought up and when they are damaged, they are seen as evil. They are described as yobboes and hoodies and in other pejorative ways.

When the Leader of the Opposition expressed sentiments about how we regarded young people in this country, which I agreed with, I was dismayed that he was condemned as wanting people to "hug a hoodie". I would have liked the Government to say that at last the Conservative party was coming round to our way of thinking with regard to not labelling young people when they perhaps go off the straight and narrow. We must look to ourselves as a society and what we are doing to those children, and recognise that in other, more equal societies, children who face disadvantage do not suffer in the long run, and then society does not suffer from the activities in which young people from disadvantaged backgrounds all too often engage.

There was a TV sitcom called "Keeping Up Appearances", and there is too much of that behaviour in this country. Why do people feel the need for such huge incomes? It is all about competition. If one executive is paid millions of pounds, another must be paid a bit more. In fact, there is a race not to millions, but to billions of pounds. When we were having the Cedric Brown arguments, that was all about millions; now it is about tens of millions in remuneration. We heard at the weekend about the president of Barclays.

Let us just think of someone on the national minimum wage of £5.80 an hour—£240 a week for a normal week. It would take them hundreds of years to earn—or to receive in income—what some executives receive in a year. That cannot be tolerated. The Labour Government set up the Low Pay Commission to introduce the minimum wage in a way that did not damage employment. There is still scope for improvements in the minimum wage, and I invite the hon. Member for South-West Bedfordshire (Andrew Selous) to confirm the Conservative party's commitment to the minimum wage and to increasing it in line with recommendations from the Low Pay Commission. The Low Pay Commission has been enormously successful, although I regret the fact that young people under 21 are paid less for doing the same job. Is it not time that we had a high pay commission to consider disparities in earnings in society and in companies? I say that because such huge disparities are not conducive to a good economic outcome.

As Richard Lambert explained in the speech that I mentioned, no one denies the importance of companies making adequate profit for reinvestment and reasonable remuneration; indeed, some of the most successful companies—Richard Lambert cited Dave Packard, one of the founders of Hewlett-Packard—realise the importance of rewards, but rewards should be proportional and profits need to deliver wider goals than shareholder value. As the Member for Selly Oak, which includes Bourneville, I echo that entirely. Shareholder value was the only issue that was considered in Kraft's takeover of Cadbury.

Hewlett-Packard is not the only enormously successful company whose founders recognised that they must engage with their work force and that employees must feel part of the company. Other industrialists who have been extremely successful and recognised that excessive pay divides rather than unites companies include Ove Arup, founder of the Ove Arup Partnership. John Spedan Lewis founded the John Lewis Partnership, one of our most successful retail companies, and acted on the philosophy that differences in reward must be large enough to induce people to do their best, but in 1957 he declared that the differences were too great.

It is time for greater company publicity about people's earnings. A pay audit is an excellent idea. A high pay commission might not be able to impose on companies' remuneration, but could suggest reasonable benchmarks. Some years ago, Channel 4 produced a series of programmes about high pay, and a high pay commission was set up. I do not remember its membership, but it included someone who was a cook, although I cannot remember her name. It concluded that there should be maximums and minimums in company employment for fairness and good performance. We need fairer organisation in companies.

We have seen the demutualisation of the banking and financial services sector, and the squeezing out of trade unions. Countries such as Japan do not have a large welfare state and transfers, but they have much more equal societies in terms of remuneration. It is common in Japanese industry for people to come up through the

[Lynne Jones]

trade union movement and to become company executives as a result of partnership working. We must encourage more worker participation, and it is appropriate to flag up the 1977 Bullock report on workers' rights and representation on company boards. We should reconsider some of those philosophies, which were not welcomed by many people in industry. Many trade unionists did not welcome involvement in decision making at the highest level, although I am pleased that one of my predecessors, Tom Litterick, who was the MP for Selly Oak in the 1974-79 Parliament, was the chief sponsor of an early-day motion welcoming the Bullock proposals, so it is appropriate for me to flag him up in my valedictory speech today. He was not my predecessor, but my predecessor but one.

The Government have proposed that football club members should have a share in their clubs, and perhaps we could extend that to other companies to provide more worker participation, more worker shareholders, more worker involvement and more co-operation in companies, as in the John Lewis Partnership, where performance is much better than in companies where workers are badly treated and their efforts are not sufficiently rewarded.

I turn to other things that Governments can do, including small measures. Post-Thatcherism, the present Government adopted too many of the stereotypes and attitudes to people, particularly unemployed people. Although the Government have done a lot for pensioners and families with children, unemployed people's incomes have not increased, but have merely been pegged to the retail prices index. At present, an unemployed person on jobseeker's allowance receives £65.45 a week—1.6 million people receive that allowance—and couples receive £102.75 a week. They receive help with housing costs, but those are the sums that they must manage on to meet all their needs—food, gas, electricity, clothes, social life and so on. I defy anyone in this Chamber to live on that level of income. The figure for young people under 25 is even more obscene at £51.85 a week. A small number—around 37 per cent.—have children and have benefited from the Government's measures to deal with child poverty, but the situation is a sad reflection on a Government led by a Prime Minister who in his maiden speech in 1987 castigated the then Government for their philosophy that unemployment benefits should be so low that people would be forced into even low-paid work. I do not expect that sort of attitude from the Government.

At a time when unemployment is high—it has not risen to levels seen in previous recessions thanks to the Government's measures, which were opposed by the Conservative party—we must remember those who have been affected. We are still dealing with the fallout from the 1980s. Although unemployment fell after the peak of 3 million before rising again in the early 1990s, at the end of that period we saw a doubling of the number of workless households in which no one was in work. That has further exacerbated division and deprivation in our society. I urge future Governments not only to consider measures to deliver public services and early intervention but to consider equality of incomes and the damaging effect that very unequal incomes have on our society.

There are measures that the Government could take, but the issue is not just redistribution of tax and benefits. I would like a much more progressive tax system. I am pleased that we now have a 50p income tax rate, but I am not pleased about the complexity resulting from withdrawal of the tax-free allowance. It is about time we started to talk about a truly fair and progressive tax system, so that people on low incomes of around £10,000 did not pay any tax. I realise that if that were to be introduced without making changes higher up the income scale, it would benefit higher earners as much as the low paid. We need a properly progressive income tax.

We also need to consider other ways of making taxation fair. The Conservative party is castigating the Government for the increase in national insurance. I am unhappy about that change because it will affect everyone, but I am not at all happy about the alternative of meeting the £6 million gap that will result from the Tory promise on national insurance. Meeting it by increasing VAT would be even more regressive. Why do we have an upper threshold as well as a lower threshold for national insurance? Rather than having an across-the-board increase of 1 per cent., why should we not extend the upper limit? The 1 per cent. rate goes higher up the threshold; perhaps we could recoup some of the money lost through not levying the national insurance increases by raising the threshold.

We should also consider property taxes. They are easy to collect and difficult to evade, but the only property tax that we have is the council tax. That is unfair because people with lower-value properties pay proportionately more than those with mansions. There should be a small taxation on increases in the value of land resulting from public investment, as it would be difficult for rich people to evade.

Bob Spink: Before the hon. Lady moves too far from VAT and the Tories, does she share my concern about the refusal of the Tory shadow Chancellor to rule out future tax rises if the Tories get into Government? Whatever other Tory Front-Bench spokesmen say about VAT, the shadow Chancellor flatly refuses to rule it out.

Lynne Jones: I am sorry, but I did not hear what the hon. Gentleman said. Did he mention class sizes?

Bob Spink: No; I said that the shadow Chancellor refuses to rule out future tax rises.

Lynne Jones: I am sorry, but I am a little deaf. I do not see how the shadow Chancellor can rule out future tax rises. In some ways, I would prefer progressive tax rises to cuts in services that would affect the vulnerable.

It is time that I began to wind up. I wish to mention a couple of other areas where Government intervention has been extremely successful. It may seem rather bizarre, but I start with the national forest. I am a member of the Select Committee for Environment, Food and Rural Affairs, which recently reported on the national forest. The project has been tremendously successful in improving areas of Leicestershire and Nottinghamshire.

A range of indicators have demonstrated the improved economic health of the national forest, including a significant decline in the proportion of the forest population who live in the 25 per cent. most deprived areas in England. The area outperformed the regional average for economic growth between 1998 and 2006, with high levels of new business development. The area's tourism

industry is now worth more than £270 million a year, with more than 4,000 people engaged in it. Since 1995, more than 250 jobs have been created or safeguarded through forestry, and through farm diversification to forest uses and woodland business. What has been achieved over those 15 years was done for the princely sum of £44.3 million in Government grant in aid. I commend such projects to future Governments.

Another organisation based in my constituency is the national industrial symbiosis programme. It has been extremely successful in bringing businesses together to treat waste as a resource. As a result, a small amount of Government money has yielded a return to the Treasury of 30 times or more in net receipts.

Those are examples of Government spending that has helped business and society to reduce inequality. It is not about the private sector versus the public sector. Public spending is crucial to a thriving private sector. Surely, after the recent crash, we should have learned that the public and private sectors need each other.

We are about to embark on a general election. Candidates are being asked to make the equality pledge drawn up by the equality organisation set up by Professors Wilkinson and Pickett to promulgate the arguments that they put forward in their excellent book. Having seen the website, I know that a number of hon. Members from all parties have signed up. I hope that they will not sign up blithely to a commitment to work to reduce inequality, but that they will take it seriously and that those who are successful in the election will consider how to implement measures to reduce inequality in our society.

Four wards in my constituency will be going their separate ways in the election. The Kings Norton ward, which is probably the most deprived part of my constituency, will become part of the new Northfield constituency. I shall certainly support the Labour candidate, who will be my hon. Friend the Member for Birmingham, Northfield (Richard Burden). It will generally be a straight fight between Labour and Conservative, as it will be in the new Selly Oak constituency. Bournville and Selly Oak will be joining two wards from the Hall Green constituency.

I hope that Labour candidates will be elected, because I do not trust the Tories to take up the equality agenda. Although I am disappointed in some of the outcomes achieved under the present Government, things have become better for many people. Public services have improved, and that would not have happened if we had continued with a Conservative Government in 1997.

We have a more interesting situation in the Moseley and Kings Heath ward of the Hall Green constituency. The Conservatives are nowhere in the election, and it will be interesting to see what happens because it is a three-horse race. I was not happy with the endorsement of the Labour candidate in that constituency. Because there is no risk of the Tories winning that seat, I may allow myself a little tactical voting by supporting the candidate who most shares my values.

Mr. Mike Weir (in the Chair): Order. The hon. Lady is straying a little. I ask her to return the subject.

Lynne Jones: Thank you, Mr. Weir. The candidate who most shares my values and whom I respect the most will be the one who I think will put up the greatest fight for a more equal society. That candidate will make a much better job of it than I have managed.

During my time here I have fought hard for disadvantaged groups, starting in the 1992 to 1997 Parliament when I fought the dreadful discrimination against transgendered people. When I wrote to the Employment Minister at the time, the right hon. Member for Maidstone and The Weald (Miss Widdecombe), she seemed to think that it was perfectly acceptable for a transgendered person who was outed in the workplace to be sacked simply because her work colleagues did not like working with her. Thank goodness that attitudes to transgendered people have changed over time, but they still suffer a great deal of discrimination, which is highlighted in the National Equality Panel's report.

I have fought for gay rights. I worked for a gay couple in my constituency, one of whom was an American who was going to be deported, as the then Tory Government were unwilling to recognise that couple's commitment to each other. That has changed, and generally there is now a much more progressive attitude across the House on both areas, although the recent comments of the shadow Home Secretary, the hon. Member for Epsom and Ewell (Chris Grayling), were very unfortunate.

I have even fought with my Government for single parents and disabled people to try to reduce proposed cuts in benefits that had actually been put forward by the previous Conservative Government. I was most disheartened when the incoming Labour Government decided to carry through some of those changes, such as changes to housing benefits for young people. Some of those bad decisions have been reversed by changes to tax credits, help for children and, to some extent, help for disabled people, but the fight must go on for disadvantaged groups, including people from ethnic minorities, women who still face disadvantages and people from different classes who face disadvantages. That work will have to be carried on largely by my successors, although I hope to play an active role in that, particularly in the field of mental health, which is perhaps the last great stigma we have to tackle. Things are now much better for those with mental illness than they were when my father was alive, but we still have a long way to go.

I will conclude with a quote from Robert Kennedy:

"The gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country. It measures everything, in short, except that which makes life worthwhile."

I leave the future Parliament to ponder those thoughts.

Mr. Mike Weir (in the Chair): Before I call the next speaker, I remind Members that the debate must finish at 12.30 pm and ask them to tailor their remarks accordingly.

11.54 pm

Mr. Paul Keetch (Hereford) (LD): I will tailor my remarks appropriately as I am anxious to hear the Minister's response. It is a pleasure to follow the hon. Member for Birmingham, Selly Oak (Lynne Jones). I agreed with much of what she said, including the quote from Bobby Kennedy and her remarks on Hall Green. I have found myself with her in the Division Lobby many

[Mr. Paul Keetch]

times during the past three Parliaments. It seems that she has often followed the Liberal Democrat view of things, perhaps more astutely on occasion than her Labour Government would have liked.

Lynne Jones: The hon. Gentleman should not take great comfort from my remarks on Hall Green.

Mr. Keetch: I have no doubt that the electorate will hear that point. The hon. Lady has certainly been a great parliamentarian, and the House of Commons will be the worse for her not being in it after the election. She said that the debate would be topical literally as the Prime Minister returned from the palace and the general election was called. The debate is important because there is a feeling, certainly among the charities with which I have spoken, that if we are not careful the election might see a new Government come in who will not give the same priority to poverty and inequality that Labour has done in the past 13 years. I congratulate the Labour party on what it has done in many areas in those years. It has poured billions into tackling child poverty, but there is a real fear that the recession will undo some of that work or at least set it back.

Although child poverty has decreased under the Government, pensioner poverty has not fallen to the same extent. Poverty among working, childless adults has increased to its highest level for 40 years. In addition, the Government's third term has seen a rise in income inequality, with the poorest fifth of the population experiencing a fall in income. The Institute for Fiscal Studies has stated, for example, that the gap between the income of the rich and the poor is now the highest it has been since its comparable time series began in 1961, the year I was born, and inequalities in wealth are even greater than those in income.

The hon. Lady mentioned the Child Poverty Act 2010, which we of course supported. However, we are concerned that the Government have watered down the goal of "eradicating" child poverty by 2020. Instead, the Act now states that no more than 10 per cent. of children should be in poverty. By our maths, that means that the Government are resigned to accepting that around 1 million children will still live in some form of poverty in future. The recession has seen inequality and poverty continue to rise in certain groups, as they did in the past few years when the UK was booming, so what will be the effects when we tackle the problems ahead?

The targets of halving child poverty by 2010 and eradicating it by 2020 were set out by Tony Blair in 1999, but the interim target was missed in 2005-06 and, unsurprisingly, it looks as though the 2010 target will be missed as well. When times were good it was easy to pick off the low-hanging fruit, meaning those who were only a few percentage points below the poverty line or who were perhaps on a low income temporarily and would quickly find another job, or who were poor simply for one reason, rather than for complex, multiple reasons. However, now that times are harder, we are concerned that the good work that has been done so far will stall and perhaps start to go backwards, particularly if there is a new Administration after 6 May who will place less emphasis on tackling child poverty than the current Government have done.

We have seen some recent changes on pensioner poverty, one of which has been to the state earnings-related pension scheme. The second state pension scheme has effectively been frozen for 2009-10, meaning that around 9 million pensioners will have a real-terms cut in their pension payments this year, amounting to around £515 million.

Dr. William McCrea (South Antrim) (DUP): With the breaking of the earnings link, the gap whereby our pensioners have fallen behind basic pay is certainly significant. Therefore, surely we need a substantial rise in the basic state pension, and then the link with earnings.

Mr. Keetch: The hon. Gentleman is absolutely right and makes a good point, and I will mention in a few moments some specific things my party would like to see done. We certainly oppose the recent freeze, as we do not believe that pensioners should be the first to feel the pain of the recession. Freezing parts of the state pension would be a blow to those pensioners who already live on or near the poverty line. The woeful inadequacy of the basic state pension is a legacy of successive Governments. Since the link to which he referred was broken 30 years ago, the pension has simply withered away, and the Government have done nothing to reverse that trend. The whole pensions edifice is built on a totally inadequate foundation, and until that problem is addressed all other pension reform will be merely tinkering at the edges.

Four million pensioners are poor enough to be entitled to means-tested pension credit, and that number will rise to encompass half of all pensioners by 2050. Is that something we ought to be proud of? About one third of those who are entitled to claim pension credit do not do so, partly because of the complexity of the system and partly because they do not want to spend their lives asking for handouts.

The Liberal Democrat party is the only party that has pledged to restore the earnings link immediately rather than by the end of the next Parliament or beyond, and we would like a target to be enshrined in legislation to eradicate pensioner poverty in the same way that this Government set a target on child poverty in the 2010 Act. We believe that a decent state pension is the key to a solid foundation for retirement, and our goal is to introduce a citizens pension that would give people a full pension regardless of their contributions. It would gradually be raised high enough to lift people out of means-testing.

Several other policies would be particularly beneficial to pensioners. For example, we propose that the personal tax allowance be raised to £10,000 for everyone—the hon. Member for Birmingham, Selly Oak referred to this—so that no pensioner with total income below that amount would pay any income tax. That would benefit most tax-paying pensioners to the tune of some £100. We also propose to abolish council tax and replace it with a local income tax that is based on the ability to pay, which would be of huge benefit to most pensioners. They would pay less under a local income tax than they do under council tax.

My party welcomes the Government's plan to auto-enrol workers in personal accounts under the new National Employment Savings Trust scheme, as only one half of today's work force is currently paying into a private

pension. However, that will work only if the Government are prepared to ensure that employer contributions are at a much higher level. The proposed contribution levels for personal accounts do not go far enough to ensure decent provision.

Poverty among working-age adults without dependent children is now at its highest since data were first collected in 1961. That is because the Government have focused their policies overwhelmingly on families with children. We understand that, but we should not disadvantage families who do not have children.

Of course, some of the biggest casualties of the recession have been young people. More than 700,000 18 to 24-year-olds are out of work, and that can be a real disadvantage for them as they start their working lives. We need to intervene and offer help far earlier than we do. My party has pledged to offer young people access to further education, internships and train-to-work programmes after 90 days out of work. We do not think it is right to abandon young people, often in the midst of their first attempts to find work and start a career, for up to six months without a chance to do something to improve their employability. We would offer all those young people the £55 a week jobseeker's allowance rate as a training allowance while they complete a three-month internship with an employer.

We believe that the next Government must continue to invest to stimulate the economy and create jobs. We want to rebalance the British economy and build it again on solid, sustainable and green foundations. We have identified £3.5 billion of current Government expenditure that could fund an economic stimulus and job creation plan. Together with our banking reforms, which will end the dependence of the British economy on the City of London, that plan will kick-start economic growth on stronger foundations than before, and ensure that growth and jobs last as they should.

As we face the election, which is being called today, there are several steps that can be taken in an attempt to stop a further rise in poverty and inequality. The question at this election is whether the next Government will aspire to such aims. A Liberal Democrat Administration certainly would.

12.3 pm

Andrew Selous (South-West Bedfordshire) (Con): I pay tribute to the hon. Member for Birmingham, Selly Oak (Lynne Jones) for her speech. This is an important subject, and I am glad that she secured this debate. It is a pity that there are not more Members here to participate in it, but we understand why, in the circumstances of the general election being called today.

I welcome the hon. Member for Hereford (Mr. Keetch), who I believe is also standing down at this election. He does not usually speak for his party on these matters, but he is welcome here today. I am not sure where the members of his shadow Work and Pensions team are, but we wish them well in their absence.

I was particularly struck by the quote from Robert Kennedy that the hon. Member for Birmingham, Selly Oak ended with. I have not heard it before, but I shall acquaint myself better with it when *Hansard* comes out tomorrow. It struck me that there was a certain similarity in what he said and some of the issues around gross well-being, to which my party leader, my right hon. Friend the Member for Witney (Mr. Cameron), has drawn attention.

We need to look at the facts in this important area of poverty and inequality and try to understand why things have become worse under this Government since 2004. According to the Joseph Rowntree Foundation and, indeed, the Government's own figures on child poverty and other statistics, it was at that point that poverty, unemployment and repossessions started rising in the UK. That was well before the recession began.

Poverty is now back at the same level it was in 2000, having risen every year since 2004-05, and an additional 400,000 children now live in poverty. There has been an increase, not a decrease, during that time. We are indebted to the work of Save the Children and others who pointed out a particularly worrying trend as far as severe poverty among children is concerned. They said that it, too, has risen since 2004-05.

This debate has rightly dealt with the position of pensioners living in poverty. There are 2.5 million pensioners living in poverty in the UK, which is some 100,000 more than in 1996-97. My party is also committed to restoring the earnings link.

The Parliamentary Under-Secretary of State for Work and Pensions (Helen Goodman): Will the hon. Gentleman give way?

Andrew Selous: No, I will not. I want to make some progress.

We welcome the auto-enrolment proposals embodied in the National Employment Savings Trust initiative, which my party supported. It is important to get more people on low incomes saving in pensions.

Helen Goodman: Will the hon. Gentleman give way?

Andrew Selous: Yes, I will give way to the Minister.

Helen Goodman: The hon. Gentleman just made the incredible claim that child poverty had increased since 2000.

Andrew Selous: No, I did not.

Helen Goodman: I would like to give him the actual figures. In 2000, there were 3.1 million before housing costs; now there are 2.9 million. After housing costs, the measure was 4.1 million, and it is now 4 million. The hon. Gentleman simply must be accurate in what he is saying.

Andrew Selous: When the Minister reads the record tomorrow, she will see that I said that poverty, not child poverty, is back at the same level as in 2000. Those are the Joseph Rowntree figures. If she wants to dispute them, she is welcome to. She knows very well that my figures on child poverty referred to the increase since 2004-05, which is extremely well documented, and on which, sadly, we have not had much fresh thinking from this Government.

Another group that I am glad was mentioned today is the disabled. Several Members mentioned them in their speech, which was right and proper, because we know that there is a much higher rate of poverty among disabled people. Some 16 per cent. of non-disabled

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people live in poverty, but the figure is around 30 per cent. for disabled people. I shall shortly discuss what my party would like to do about that. We must never lose sight of that group when we discuss these important issues.

We now have the highest levels of inequality since the comparable time series was started in 1961. That should concern us all, as it has a number of serious negative effects. The Gini coefficient, which is a commonly used measure of inequality, is now above the level that this Government inherited and, as I said, at the highest level since the start of a consistent time series in 1961. The National Equality Panel, which the hon. Member for Birmingham, Selly Oak rightly quoted, said that we have the highest level of inequality since the second world war, and the UK is placed seventh worst for income inequality in the list of OECD nations—so considerably worse than many of our European neighbours.

My party is committed to building a society that is not only richer but also fairer and safer, where opportunity is more equal and poverty is abolished. We will focus our efforts on looking at strengthening families and communities and at incentives into work, which, although it has not been raised so far in this debate, is important.

With our major focus on welfare to work, we will replace this Government's complicated, bureaucratic employment programmes with our work programme, which will be a single programme of back-to-work support for everyone on out-of-work benefits, including the 2.6 million on incapacity benefits who have not had the attention that they should have had under this Government to try to help them back into work. We will also create 400,000 new apprenticeships and training opportunities over two years to tackle youth unemployment and prevent a generation from being written off by the recession.

We are passionate about education.

Lynne Jones: The hon. Gentleman mentioned the slight increase in inequality, but that is largely due to the huge increases in the highest rates of pay. What would the next Conservative Government do, were they to be elected? Hopefully, they will not be elected. Would they support a high pay commission, for example?

Andrew Selous: I will mention specifics in a moment, if the hon. Lady will allow me to develop my remarks a little bit further. I assure her that I will touch on that area.

Schools are the motor of social mobility. They provide children from low-income backgrounds the chance not to replicate low income among their own children and to increase their life chances. We will weight school funding towards children from the poorest backgrounds through a pupil premium, ensuring that extra funds follow those pupils into the schools that educate them. The hon. Lady was right to draw attention to that. She mentioned the woeful underperformance of children on free school meals compared with other school children. That is a passion of the shadow Secretary of State for Children, Schools and Families, who has raised this matter on a number of occasions.

We want to see a universal health-visiting service for all parents and we want Sure Start to go back to its original purpose. We share the Government's aspiration to halve child poverty by 2010—although sadly, from what we have seen in the documents in the Budget, that seems not to have been achieved—and eliminate it by 2020. We supported the Child Poverty Bill during its progress through the House.

We want to make greater efforts to try to break the link between disability and poverty. We will focus on trying to find jobs for people who are disabled and trying to enable them to progress in their careers. One area that will be particularly important in that regard is flexible work. Again, there has not been leadership from the Government on promoting and creating flexible work. Five Departments have numbers of part-time employees only in single figures. The Government could and should lead by example.

The hon. Member for Birmingham, Selly Oak is right to say that levels of inequality matter in society. They matter for a number of reasons that are important to Conservatives. We know, from Professor Richard Wilkinson's book, which the hon. Lady mentioned—I have a copy in my office, which I have been reading—that in more unequal societies there is less volunteering and more crime. I was looking at some evidence over the weekend showing that the level of crime in London's most unequal boroughs, compared with five more equal boroughs, is significantly higher. We also know that levels of mental illness are higher in areas where there is greatest inequality. We can say that more unequal societies lead to additional costs to the public purse and prevent us from being a more cohesive society.

I am pleased that the hon. Lady has the book on early intervention by the hon. Member for Nottingham, North (Mr. Allen) and my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith). That is a good example of important cross-party collaboration on early intervention. She mentioned the importance of brain development. If I remember rightly, she said that if time in the 0 to threes, particularly, is lost it is much more difficult to make progress with a child. Politicians need to take notice of this important epidemiological insight. I believe that this cross-party work has been significant in doing that. Early intervention is important, but I agree with Professor John Hills that children need a series of what he describes as in-flight boosts to correct inequality later on.

I say to the Minister and to the hon. Member for Birmingham, Selly Oak that it took a Conservative Mayor of London to bring in a living wage for local authority staff. The cleaners who cleaned the Minister's office early this morning are not paid the London living wage by her Department: I found that out from answers to parliamentary questions. I wonder whether that is as it should be.

The Government seem to have turned their back on inequality in the public sector. That is surprising. The Government can do something about that. The hon. Member for Birmingham, Selly Oak rightly spoke about the private sector, but should not the Government take a lead in respect of the area about which they can do something? For example, the maximum sum payable for the chief executive of a strategic health authority is £204,048 a year, whereas the pay for an NHS employee

at pay band 1 is £13,233 per year—by the way, that is £600 below the minimum living standard—which is a ratio of 15.1:1.

The hon. Lady spoke about chief executives, but only in the private sector, not the public sector. Let us look at local authorities. In the local authority in Slough, which is the example that I have to hand, the lowest salary of a full-time employee is £12,994, whereas the chief executive is on a salary of £157,479, which is a ratio of 11:1.

Interestingly, in the Army—the hon. Member for Hereford, who knows about these things will agree—the ratio between a brigadier and a private soldier is only 6:1. I think that most hon. Members in this Chamber would agree that the Army is an effective, cohesive public sector organisation. If there can be an effective organisation—

Helen Goodman *rose—*

Andrew Selous: No, I will not give way to the Minister. She will have her turn to speak in a moment, when she will perhaps respond to my point about the cleaners in her own office and say whether she is happy for them to be paid below the London living wage—perhaps she is.

It is interesting that there is a much lower difference in the ratio between the lowest and the highest paid in an effective organisation.

The shadow Chancellor has said that any public sector wage higher than the Prime Minister's will have to be put to the Chancellor for agreement. Some 323 public sector employees are paid more than the Prime Minister. Over the weekend I learned that the Scottish First Minister is paid more than the Prime Minister, which is somewhat strange. The director-general of the BBC is on around £850,000 per year.

I believe in Government leading by example. If these things matter and we are going to say to private industry, "Get your house in order", private industry can rightly say to Members of Parliament, "What's going on in those institutions over which you have some say?" We have not seen much action from this Government in that area.

In answer to the hon. Member for Birmingham, Selly Oak, I say that we Conservatives are committed to the minimum wage.

Helen Goodman: Will the hon. Gentleman give way?

Andrew Selous: No. The Minister will have a chance to speak in a second.

The Minister is responsible for the Child Support Agency. As shadow Minister, I find it unacceptable that, according to table 15.1 of the 2007 families and children study produced by the Department, 61 per cent. of all parents with care were not receiving child maintenance. Those are not figures for which the CSA is responsible—where there is a valid maintenance contract—but it is shocking and unacceptable that 61 per cent. of fathers, largely, have got off without taking care of their responsibilities. How are we really going to do something about inequality and poverty among the lone parents whom the hon. Member for Birmingham, Selly Oak spoke about when 61 per cent. of lone parents are not in receipt of child support?

12.19 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Helen Goodman): It is a pleasure to serve under your chairmanship this morning, Mr. Weir. I begin by congratulating my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones). I am not sure what the opposite of a maiden speech is—perhaps we had better not go there, as they say. However, I wish to pay tribute to her for her speech this morning, and for the huge commitment that she has shown on these issues, both during her parliamentary career and before that in her work on housing in Birmingham.

She raised several important points to which I hope to respond. First, she talked about the importance of early intervention. Last week, I was in the constituency of my hon. Friend the Member for Nottingham, North (Mr. Allen), to see the work supported by the Labour Government on early intervention. I saw three particularly good examples of that. One was work with teenagers who were pregnant or new mothers, and excellent work was being done to increase the life chances and opportunities of their babies. Another example was a family intervention project that dealt with families that suffered from a huge, complex interaction of problems. The third initiative was Sure Start and I feel proud—as does my hon. Friend the Member for Birmingham, Selly Oak, I am sure—that there are now 3,500 Sure Start centres. I am deeply alarmed by the proposal repeated by the hon. Member for South-West Bedfordshire (Andrew Selous) to reduce the number of Sure Start centres in this country.

My hon. Friend talked about the level of equality and how it has varied over the past 60 years. That was interesting and, like her, I assumed that equality in the country was highest immediately after the second world war. In fact, that is not borne out by the data because high levels of inequality were a spillover from the problems of the interwar years. It was not until between 1975 and 1979—after four Labour Governments—that the lowest inequality ever to have existed in this country was achieved.

I know that we are not allowed to use visual aids, but I must refer to a document on the distributional impact of the Labour Government from 1997 to 2010, produced by the independent and highly respected Institute for Fiscal Studies. It shows that over that period, the effect of changes in tax and benefits led to an increase in wealth of about 12 per cent. for the poorest 10 per cent. of people. The effect on the richest 10 per cent. has been a reduction in wealth of about 8 per cent. Looking beyond the richest 10 per cent. of people to those earning more than £100,000, the impact of the tax and benefit changes has been minus 15 per cent.

In part, that is the result of measures taken by my right hon. Friend the Chancellor of the Exchequer, who this month introduced a 50p rate of income tax for those earning above £150,000, a withdrawal of personal allowances for those earning over £100,000, and a restriction on tax relief for pension contributions. In two years' time, there will be a freeze on the higher-rate tax threshold. Meanwhile, at the other end of the income scale, there have been one-off real increases in benefits and increases in child tax credits. From 2012, a new child tax credit for one and two-year-olds is designed to benefit all parents of small children whether they are married, unmarried, separated or widowed. It will not stereotype

[Helen Goodman]

or ghettoise anyone, or try to make choices between the deserving and the undeserving poor.

The hon. Member for South-West Bedfordshire made several remarks and I do not have time to make a thorough critique of them all. At the end of his speech he claimed to be concerned about people on low wages—that from the party which steadfastly opposed the introduction of the minimum wage. He now says that his party is committed to the minimum wage, but he has not said whether it is committed to maintaining it in real terms. The minimum wage benefits 1 million people, two-thirds of whom are women. Since its introduction in 1999, it has increased in real terms by 23 per cent. If the hon. Gentleman wishes to intervene to say that his party is committed to maintaining the minimum wage in real terms, I would be happy to give way.

Andrew Selous: My understanding is that the minimum wage is set by the Low Pay Commission. I think that the trick is to set it as high as possible so as not to harm the prospects of people going into low-paid work. There is a conversation to be had about the level of tax credits and the minimum wage.

Helen Goodman: That was as clear a commitment as one could expect under the circumstances. My hon. Friend the Member for Birmingham, Selly Oak also—reasonably enough—mentioned the problems at the high end of the spectrum. It will not have escaped her notice that the Chancellor has imposed a special tax on the pools that banks have set aside for bank bonuses. As she will know, that was expected to raise £500 million, but in the event it raised £2 billion—a significant sum of money by any standards.

The Government's commitment to tackling poverty cannot be gainsaid; we have achieved some significant improvements. The hon. Member for Castle Point (Bob Spink), who is no longer in his seat, was the first to mention pensioners, and 900,000 pensioners have been lifted out of poverty. The poorest third of pensioners are now £2,100 a year better off, and we have made moves to re-establish the link between pensions and earnings, which was so needlessly destroyed by the previous Administration.

The Government's policies on families mean that the poorest fifth of families are, on average, £3,000 a year better off. Half a million children had been lifted out of poverty by 2007, and measures taken since then will lift a further 550,000 children out of poverty by the end of the year. We have halved absolute poverty. The hon. Member for Hereford (Mr. Keetch) asked whether we have a continuing commitment to that policy. We took the Child Poverty Bill through Parliament—and we are grateful for cross-party support—because we are absolutely committed to making continued progress on that matter over the next 10 years.

Mr. Keetch: Will the Minister give a commitment that a future Labour Government would introduce a pensioner poverty Bill along the lines of the Child Poverty Bill, and legislate to ensure that pensioners do not fall into poverty?

Helen Goodman: Much as I would like to, I cannot anticipate the manifesto or the next Queen's Speech.

My hon. Friend the Member for Birmingham, Selly Oak asked about the significance of property taxes. She was right to mention that, and it is another reason why the Conservative party's proposal to cut inheritance tax for the wealthiest 3,000 millionaires is so bizarre when coming from a party that claims to be concerned about inequality. Any party interested in inequality must address poverty, and look across society at the whole complex of policies and how they impact on people. At this time while we struggle to emerge from a recession, I cannot see that the British people—

12.30 pm

Mr. Mike Weir (in the Chair): Order. Unfortunately, we have run out of time in this fascinating debate.

Swindon to Kemble Rail Line

12.30 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I am grateful to you, Mr. Weir, and to Mr. Speaker for allowing me the opportunity to hold this Adjournment debate. I am even more grateful to the Minister for being here on a day when I am sure that he would prefer to be doing other things elsewhere.

[Dr. William McCrea *in the Chair*]

I welcome you to the Chair, Dr. McCrea. This is the second Adjournment debate that I have had on this subject; the first was on 30 June 2008. Given the work that has been involved in campaigning in support of the redoubling, it is perhaps fitting that it is one of the last subjects on which I will speak before the election. If the Minister will forgive the metaphor, I hope that my campaign for redoubling is arriving at the station and that he will have some good news today for my constituents.

The Parliamentary Under-Secretary of State for Transport (Chris Mole) *rose—*

Mr. Clifton-Brown: Perhaps this is the good news that I am waiting for.

Chris Mole: In my experience as a rail Minister since last July, it is impossible to make a speech about rail without using a rail metaphor, so I forgive the hon. Gentleman.

Mr. Clifton-Brown: The Minister is obviously reserving the good news for when he speaks.

Let me begin by detailing the reasons for the campaign, how it has progressed and the incredible amount of cross-party and cross-national support that it has received. We are talking about a single-track line that stretches a mere 12.5 miles between the Swindon locomotive yard and the western portal of the Kemble tunnel. The line was singled in the early 1970s. The necessity for redoubling stems from the self-evident limitations that are imposed on trains travelling in opposite directions on a single-track line. Doubling the track would provide a significant extra benefit. As passengers who use the line know only too well, delays and cancellations are frequent, the infrastructure cannot support an hourly timetable and delays are regularly exported from the line. Network Rail believes that significant demand from passengers and freight is being suppressed because of these limitations.

The second factor is the nature of the Swindon-Kemble line as a diversionary route. As the Minister will know, because I have spoken to him privately about this, the Welsh Affairs Committee's 10th report of the 2009-10 Session, which is entitled "Cross-border provision of public service for Wales: follow-up", noted:

"The main diversionary route for South-Wales London services when the Severn Tunnel is closed for maintenance runs from Swindon via Kemble and Gloucester."

It adds that the Severn Tunnel

"would remain operational...into the medium term, but that regular closures for maintenance would nevertheless be necessary...although the Tunnel would be suitable for electrification, this will require a longer closure for the work to be completed."

The relevant section of the report finishes by noting:

"The importance of this line as a diversionary route when the Severn Tunnel is closed will be heightened during electrification of the Great Western Main Line. We urge the Government to ensure that final costs are agreed as soon as possible so that work can begin."

The Minister will also know, as I mentioned in my previous Adjournment debate, that the redoubling would

"provide a diversionary route for freight traffic travelling from Southampton to the west midlands and for trains from the south-west to the north of England, which is the preferred diversionary route."—[*Official Report*, 30 June 2008; Vol. 478, c. 705.]

There are also additional benefits, such as building in rail capacity to support growth and regeneration in the south-west in the coming years, supporting freight movement and the cost saving to be achieved by closing the signal box at Minety. I will not elaborate on the scheme's further benefits, because the case has been well and truly made, but it is worth mentioning that supporting rail travel ties in with the Government's and, indeed, the Opposition's policy on a modal shift to supporting green travel and the green economy, which would lead to CO_2 reductions.

If the Minister will indulge me further, I would like to take him on a quick diversionary route—he will be glad to know that that is my second and last rail metaphor—to clarify exactly where we are now on the redoubling and how we have got to this point. I have campaigned for the redoubling of the line for many years. Unfortunately, as he knows, the Office of Rail Regulation announced its funding plans for 2009-14 on 5 June 2008. Although we had the good news that the Cotswold line would be redoubled, it was announced that the Swindon-Kemble line would not receive funding. In my view, and probably in the view of the hon. Member for Stroud (Mr. Drew), the Swindon-Kemble line was perhaps more deserving than the North Cotswolds line.

Following that news, I called an Adjournment debate on 30 June, in which the then Transport Minister, the hon. Member for Glasgow, South (Mr. Harris), stated:

"I wish the scheme a fair wind."—[*Official Report*, 30 June 2008; Vol. 478, c. 712.]

Subsequently, I was able to keep up pressure for reconsideration of the scheme. I did that through meetings, first, with the hon. Member for Glasgow, South and, subsequently, with the Secretary of State for Transport. On both occasions, I was accompanied by colleagues from Gloucestershire, including my neighbour the hon. Member for Stroud, who has been a long-time supporter of work on the line. Representatives of Network Rail and First Great Western were also present.

Mr. David Drew (Stroud) (Lab/Co-op): My neighbour and I make common cause on this issue, which is very pleasing. I declare an interest, in that I was on the line this morning. The key point, beside the fact that there is to be a general election, is that we need to know now that the team will come over from the Cotswold line. That has to be the absolute priority. If it does not happen now, it will not happen this side of a decade. Does the hon. Gentleman agree?

Mr. Clifton-Brown: My neighbour is clairvoyant. I will make exactly that case a little later.

[Mr. Clifton-Brown]

The lobbying work proved effective. It was clear that despite the ORR's decision, support for the scheme was forthcoming from the hon. Member for Glasgow, South, the Secretary of State for Transport, Gloucestershire county council, the South West of England Regional Development Agency, the regional assembly, the district and urban councils and most, if not all, Gloucestershire MPs. The only thing missing was the funding.

The first steps to overcome that problem took shape when the Department for Transport committed £900,000, and the Welsh Assembly offered £100,000 towards a feasibility study. Some £20 million was put aside from the regional funding allowance for the project itself, but that still left a gap—the scheme had been estimated as costing £37 million before the new feasibility study was conducted.

On 3 September 2009, I attended the South West Regional Grand Committee, where I found that the Minister for the South West was another supporter of the redoubling scheme. At the meeting, he clearly stated:

"It would provide diversionary seven-day railway capacity and route capacity that First Great Western has indicated it could take up on a commercial basis. It would also facilitate housing growth if the Government were to bring that forward. Good arguments can be made in favour of the redoubling of this line and I am happy to play my part in that process."—[*Official Report, South West Regional Grand Committee*, 9 September 2009; c. 12.]

As the Committee progressed, I challenged the Minister to produce one positive outcome from its proceedings. I must give him credit for taking up that challenge and writing to the RDA on 6 October 2009, suggesting that if it could produce

"an agreed, realistic and deliverable five year programme",

he hoped that that programme would be able to go ahead.

By 16 November 2009, the Minister for the South West had persuaded the RDA to agree to provide a further £25 million in funding. The money had previously been allocated to the Westbury bypass, which had been refused permission, so the money could be reallocated to fund fully the Swindon-Kemble line. With the feasibility study not expected to be completed until the end of the year, it was clear that that deadline could not be achieved, but we now had an absolute commitment for £45 million towards the project.

Subsequent to that news, the hon. Member for Stroud called an Adjournment debate on 27 October 2009, when he made a further eloquent case for the work. The debate further highlighted the cross-party support for the scheme. Unfortunately, when the results of the feasibility study were announced, the final figure—as the Minister knows only too well—was £52.4 million and it was clear that further work was needed to progress the scheme.

I then contacted 18 right hon. and hon. Members in the Welsh parliamentary area, for whom the redoubling work would have particular significance. I am grateful to my hon. Friend the Member for Monmouth (David T. C. Davies), the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Ogmore (Huw Irranca-Davies), and the right hon. Member for Pontypridd (Dr. Howells) for their support in contacting the relevant Ministers.

That brings us up to date, in terms of detailing why the scheme is so vital, the steps that have been taken by myself and others to raise its profile, and the success that we have achieved.

Before the Minister responds, I want to raise with him the ultimate purpose of today's debate. We are now looking at either cutting £7.4 million from the estimated cost of the scheme according to the feasibility study, or finding £7.4 million of funding from non-governmental sources or from departmental end-of-year savings, or a combination of the two.

Many of my constituents fail to understand how a scheme that appeared to have ministerial support as long ago as 2008 has still not been able to progress. Although they and I understand that there are financial pressures, there are also time concerns. In that regard, I entirely agree with what the hon. Member for Stroud said. As he pointed out, there is a clear window of opportunity if the go-ahead for the redoubling work is given soon. Skills and equipment that are currently being used for the redoubling of the North Cotswolds line could easily be transferred to the Swindon-Kemble line. If they are not transferred, the larger national schemes such as Crossrail and the refurbishment of Reading station will come into play and the Swindon-Kemble line might lose its place in the queue, perhaps for many years.

So can the Minister say exactly what discussions he has had with Network Rail since the figure of £52.4 million was announced in the feasibility study? Most importantly, can he tell us if he believes that £7.4 million in savings can be made? If so, why has it taken since January for that announcement to be made? If he cannot tell us that those savings can be made, or if he has doubts that they can be made, does he believe that any end-of-year departmental savings could be redirected towards this scheme? Furthermore, Network Rail has a huge maintenance budget and it will save on maintenance if this scheme goes ahead. So, could Network Rail be persuaded to find some money for the scheme?

In addition, has the Minister had any discussions with the train operator on the line, First Great Western? Any passenger travelling at peak times between Kemble and London, as the hon. Member for Stroud did this morning, would pay £58.50 for a single standard ticket or £91 for a first-class seat. This is a very lucrative line for First Great Western. With a growth in rail users and a growth in population in the south-west, does First Great Western not have a vested interest in seeing the redoubling scheme progress? If it does, could it possibly provide some money towards it? I also want to ask the Minister if there are any other funding avenues that he, I or anybody else should be investigating.

Ultimately, however, I hope that the Minister will use this 11th-hour opportunity, before Parliament is dissolved, to give all the users of this rail line some wonderful news, by announcing that he has found a solution and that the redoubling of the single track between Swindon and Kemble will now go ahead.

12.43 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): Dr. McCrea, it is a pleasure to serve under your chairmanship in this debate about the redoubling of the Swindon to Kemble railway.

I congratulate the hon. Member for Cotswold (Mr. Clifton-Brown) on securing the debate. Along with a number of other Members of Parliament, he has been diligent and very determined in promoting the case for the redoubling of the route. At the same time, of course, I also welcome the presence of my hon. Friend the Member for Stroud (Mr. Drew) for the debate.

I am pleased to have another Westminster Hall debate on this issue, as it gives me the opportunity to give the latest position on the work of achieving an acceptable and affordable price for this redoubling scheme, so that it can be delivered with financial support from the south-west region. I want to reassure the House that much effort is being devoted to the issue. In particular, I want to thank Network Rail, the nation's rail infrastructure owner and operator, for the hard work that it is doing in this regard.

The Secretary of State for Transport and the Minister for the South West have both expressed support for the scheme, as the hon. Member for Cotswold outlined. We all recognise the value of extra capacity and improved train performance that this particular redoubling scheme would create. Before I turn to the specific subject of the debate in more detail, let me remind the House about how the region and the wider area served by the Great Western main line, in particular the line's passengers and freight customers, will benefit from our ambitious rail plans.

The performance of First Great Western continues to be of high quality, with Network Rail reporting in its latest figures that 93.4 per cent. of First Great Western's trains arrived on time. On 23 July 2009, we announced the £1.1 billion electrification programme of the Great Western main line between London, Bristol, Oxford, Newbury and Swansea, along with the electrification of the line between Liverpool and Manchester. That was great news for those specific areas and for the public transport industry in general.

The electrification programme will boost jobs, reduce journey times, make trains more reliable, increase capacity, contribute to sustainable or "greener" transport and build on improvements in train performance. From 2016, passengers travelling between London, Slough, Reading, Newbury, Didcot, Oxford and Swindon, as well as to intermediate stations, will benefit from the reliability and comfort of electric trains. The aim is that, by 2017, electrification will be extended to inter-city services to Bristol, Cardiff and Swansea. Electrification will mean that minimum journey times between London and Swansea can be reduced by almost 20 minutes. It will also enable capacity on inter-city services during the morning peak hour to be increased by about 15 per cent. Electrification of the Great Western main line is being integrated with the significant upgrade of Reading station, which the hon. Gentleman referred to, and the £16 billion Crossrail project, which will reach out to Heathrow airport and Maidenhead.

Electrification of the Great Western routes between London and Bristol and between London and Swansea will potentially enable more trains to operate. It will also reduce the cost of the track and the damage to it. The environment will be improved as fewer diesel trains will run. Journeys for passengers will be improved, as electric trains will be able to accelerate faster and consequently journey times between London and the other major city centres will be reduced. Operators will also be able to run more frequent services as their business continues to grow.

I will now address the Swindon to Kemble line specifically. Network Rail initially identified the redoubling of the line as one of several options to improve the performance of the Great Western main line and the wider network. The line was originally singled in 1968, which is slightly earlier than the hon. Gentleman suggested, as an economy measure by the operator at the time, British Railways' Western Region.

Network Rail believes that redoubling of the line would improve performance, especially when the line acts as a diversionary route for trains between London and south Wales or when there is engineering work on the line or in the Severn tunnel. I agree with the hon. Gentleman that that use of the line will be especially important when electrification takes place.

The south-west region and the local authorities believe that redoubling is essential if an upgraded Cheltenham and Gloucester to London service is to be provided. The railway industry agrees with that view. I fully accept that we also need to provide for the improvement to such rail links. However, a little while back the Office of Rail Regulation concluded that there was not sufficient evidence to justify the inclusion of the Swindon-Kemble enhancement as a funded scheme to deliver the overall high level outputs specified by the Government. That decision by ORR has been debated frequently in the House and we have responded positively to Members' representations.

More recently, the Secretary of State for Transport wrote to regional partners to outline his strong support for the redoubling scheme. In our response to the south-west region on its regional funding advice, we asked that consideration be given to taking forward a fully funded Swindon-Kemble major scheme. The south-west region has risen to the occasion and I must congratulate it on the action that it has taken, which I will return to in a moment.

In addition to that dialogue with the south-west region, the Secretary of State and I have committed Department officials to work with the railway industry to make the case for redoubling. As the hon. Member for Cotswold well knows, the south-west region, the Department for Transport and the Welsh Assembly Government have jointly funded a rail investment study by Network Rail. Their total contributions amounted to some £2.6 million. That is a good example of working in partnership and I commend the parties involved for their respective contributions.

It is also now well known that the south-west region has offered to contribute £45 million from its funding allocation budget towards the capital cost of redoubling. That is very welcome indeed and I commend the role of the Minister for the South West in making that happen. That £45 million is made up of an initial £20 million contribution, followed by a further £25 million allocation from funds that were originally earmarked for the Westbury bypass. Network Rail has already provided an interim report on its investigations. That has been examined by the Department, which has asked Network Rail to continue to explore a wide range of issues.

Network Rail is undertaking an evaluation of the earthworks and associated structures on the Swindon to Kemble line, in particular the disused sections where

[Chris Mole]

only minimal maintenance has been carried out since the line was singled. There is also a need to determine the most efficient means of bringing a number of level crossings up to modern standards. Much of the present single line is laid along the centre line of the old double track formation. That makes for a slightly more formidable challenge in redoubling compared to a situation where the single track takes up just one of the paths of the old lines. In December 2009, Network Rail concluded that, on the evidence available, redoubling the 13-mile section of route would cost £52.4 million, reduced from a previous and less sophisticated calculation of £62 million.

I recognise that redoubling the Swindon to Kemble line is a regional priority that could facilitate growth and support resilience and performance. As I said, it acts as a diversionary route to and from south Wales when work is taking place on that route, particularly in the Severn tunnel. The importance of the diversionary route will increase while the task of electrification is taking place.

However, the national rail budget remains fully committed until 2014, and we cannot bridge the funding gap. In the circumstances, the £45 million allocated in the regional funding allocation is, for all practical planning purposes, the maximum available at present. The current price of £52.4 million therefore represents, as the hon. Gentleman identified, a difference of £7.4 million with the budget. Deducting the £2.6 million spent on the study reduces the difference to £4.8 million.

Network Rail is exploring a number of opportunities to see whether the gap can be bridged, including the deployment of different and possibly innovative contracting methods to get the most competitive price. The study also considered the extent to which reconditioned materials could be used and how best to undertake the work. For example, should all the work be done over a limited time scale while the line is shut, or on weekends and at night? The emerging conclusion appears to involve a mixture of both, but I am equally conscious of the need to ensure that passengers using the line—no doubt they include many constituents of the hon. Gentleman and my hon. Friend—are not overly inconvenienced. It might also be possible, as the hon. Gentleman said, to offset some of the work against the cost of maintaining the route in future years if it remained a single line. The Office of Rail Regulation is considering the matter.

I am personally confident that the hard work being done by Network Rail's engineers will reduce costs to an amount near, if not within, the funds available. They are a focused group and have risen to the challenge of doing the job within the £45 million limit.

Mr. Drew: That is relatively good news. I do not want to speak out of turn, but my only worry was that the people assigned the problem were not the first rank of engineers within Network Rail. It is important to know that the brightest and best are seeing it as an opportunity. I hope that my hon. Friend will ensure that they can hold forth and that the scheme goes forward.

Chris Mole: The officials within the Department to whom I speak advise me that the people working on the situation are absolutely committed to making it happen. I know that my hon. Friend is concerned about when the team will finish work on the Cotswolds line. As the issues are considered more closely, one factor to take into account is that carrying the team across might be a way to reduce costs from the estimate, which might have been based on assumptions that a team would be set up from scratch.

Mr. Clifton-Brown: I agree with my neighbour the hon. Member for Stroud (Mr. Drew); it is relatively good news. If we are not to have an announcement today that the scheme will go ahead, we are at least moving towards the station. However, does the Minister not agree that the longer we take to find the funding, the more it will cost and the more funding we will have to find? It seems as though we will never catch up with ourselves enough for the scheme to be given the go-ahead. What timetabling assurances can he give us about when the funding might be found? Has he really re-examined all alternative funding sources, such as First Great Western?

Chris Mole: The hon. Gentleman has asked me two specific questions about Network Rail, one of which I just answered; it concerned potential savings from future renewals and maintenance costs that could be offset by undertaking the work earlier. The other involves the franchise operator, First Great Western. He made the case that it might be interested in an investment that could enable it to grow its passenger numbers. I suspect that First Great Western's assessment would prioritise investment in the front-loading of a new train service that would not run at sufficient capacity in the first instance to return a profit. Its priority would probably be to subsidise the first few years of the new services, which would take advantage of the capacity, rather than investing in infrastructure, which I think most train operators are fairly reluctant to do.

The hon. Gentleman also asked about the Welsh Assembly Government, and I know that he is interested in other potential funding sources such as the European Union. The line is not a trans-European network, so it would not necessarily qualify for European funds from that source. Nor does the nature of the area suggest that funds for addressing regeneration and disadvantage would be forthcoming. I am not aware whether the Welsh Assembly Government could access European Union funding, but the Welsh Assembly Government might be able to make the case that it is a strategic diversionary route for south Wales. However, I understand that they have already been making best use of European funds for investment in railways. Given what I have heard about their investment in railways in Wales, I suspect that they are unlikely to want to invest in railways outside Wales. They seem to be fully committed to the railways in their own territories at this time.

To address the hon. Gentleman's question about timing, I understand why he is anxious. Network Rail is due to report to the Department's officials early this summer, by which I mean no later than June. If a positive result is forthcoming, I hope that a deal can be struck. Although we are driving hard to get the job complete within what is on the table, I am nevertheless anxious to know whether the amount can be supplemented should a genuine need arise. I have discussed European and Welsh Assembly funding. In these challenging economic times, we must be realistic about how limited such opportunities are.

Network Rail's 5,000 engineers have experience from earlier redoubling and are seeking to improve how it is done. Perhaps that will help the hon. Gentleman. He asked me for my assessment of the prospects of reducing the cost further. At one point, the outline figure was £62 million; it is now down to £52 million. There are challenges as redoubling work takes place and problems with embankments and cuttings are identified. The ground on which a one-track railway sits is not always robust enough to build a two-track railway. As such problems are identified, costs rise, but as I said, using our experience from earlier efforts can reduce them again.

In conclusion, the spotlight is on Network Rail to achieve an efficient price for the scheme. It is working hard to do so, but until it provides something affordable, further developments cannot go forward. I am keen to ensure that this unique opportunity to implement the scheme is not lost. If Network Rail's price is affordable and the region's endorsement is maintained, spending could be allocated over the fiscal years 2011-12 and 2012-13. Our aspiration would then be to commission the doubled track by December 2012.

Tackling Crime (Plymouth)

12.59 pm

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): As I pointed out in 2001 in one of a number of debates on crime, Plymouth was one of the earliest places to adopt a partnership approach to tackling crime, as recommended by the Morgan report. Many years on, that partnership work is now wider and deeper. It is embedded in the work of our local strategic partnership, Plymouth 2020, which has the vision that by 2020, our city will be recognised as

"one of Europe's finest, most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone".

Community safety and bearing down on crime are important parts of that.

Since 1997, crime has fallen by 36 per cent. and violent crime is down by 40 per cent. nationally, although one would never know that from some of the stories in the national press. I do not usually read the *Daily Mail*, but I noticed yesterday that it focused only on the negative aspects and quoted figures as if there were no context of significant drops in crime.

In Plymouth, the police authority, the basic command unit and their partners have used the Government's investment and policies to make us the fourth safest police authority area and one of the safest cities in the country. As well as celebrating that, I will focus on how the next Parliament can help us to continue down the strong direction of travel that we have established locally and nationally.

Things have moved on since the 2001 debate. With neighbourhood renewal funding came the need to set up the local strategic partnership. For over seven years, it has worked on stretch targets set under the safer and stronger communities theme group that reports to the main board. Recently, the Audit Commission awarded Plymouth with a coveted green flag in the first comprehensive area assessment, which indicates

"exceptional performance and innovation that other public services could learn from".

It was awarded for

"the way partners in Plymouth plan ahead to protect people in the city during large scale emergencies."

The new Oneplace area assessment of local public services says that Plymouth is a safe place for most people and concludes:

"The Council, Police, Primary Care Trust, Fire and Rescue Service, other public services, voluntary groups and businesses work extremely well together to plan ahead and respond to emergencies to keep the city safe."

That is reflected in the day-to-day work that has resulted in a drop in our crime figures. In the year to September 2009, crime was down by 9.6 per cent. compared with the previous year and in the first quarter of 2010, it was down by 11.7 per cent. compared with the same period in 2009. There are still challenges aplenty. Although there is a well established downward trajectory in crime over a number of years according to police recorded crime and the British crime survey, it does not always feel that way and certainly not to the victims of the crime that remains.

The fear of crime remains stubbornly high, although people rate their local situation better than their perception of the country as a whole. Such fear is partly rooted in a belief that the steps to tackle crime are not travelling in

[Linda Gilroy]

the right direction, even though they clearly are. The police and the criminal justice system are not the only public services that face such perceptions. There is a wide disparity in the answers people give about the health service. When asked about their last experience of using the health service, most people say it was good, but when asked how the health service is doing generally, people usually think that it is travelling in the wrong direction, which it clearly is not.

Lagging perceptions are not new. When I worked at the Gas Consumers Council in the 1990s, people commonly referred to the gas boards even though they had been done away with 25 years previously. That is perhaps not good news for the police, who have a target of enabling the public to feel confident and safe in their communities. Against the background of negative reporting, that is difficult to achieve. However, those involved are determined to do it in a realistic way by engaging people with what the police are doing to bring safety to local communities.

Important in achieving that are the new tools being developed by neighbourhood police teams, which Plymouth has had for some time. Police and communities together, or PACT meetings are one good way of ensuring that the things that people in the community rate as important are tackled. Some neighbourhood police teams have gone further. The team that covers Stonehouse has gone from house to house in the last year to find out proactively what matters to people in the neighbourhood.

That was part of and complemented by Operation Glendale, which was designed to roll back an upsurge in drug-related crime in the waterfront area of my constituency. It was a great success and all the more so for engaging with other partners in the strategic partnership. It helped to meet one of the key stretch targets in the work plan. It also led to a fall in acquisitive crimes because bearing down on drug-related crime has an impact on theft to fund drug use. Compared with the previous year, domestic burglaries were down 32.6 per cent., theft from motor vehicles 37.7 per cent. and the theft of vehicles 28.1 per cent.

Although there has been an increase in serious violent crime, violent crime is down. Homicides have gone down from four in the previous year to one. Chief Inspector Andy Bickley stated that a change in the recording practice accounted for most of the increase in serious violent crime and offered the reassurance that it was not an indication that Plymouth was becoming a more violent place.

At the last strategic partnership meeting I attended, the stretch target for the number of domestic violence incidents recorded by police was being discussed because it was not high enough. More active engagement was planned to ensure that more domestic incidents were reached. That is sensible because detection, along with seeing cases through to conviction, is a key factor in preventing crime. Of course, such work may have an adverse impact on the police recorded crime figures in the interim.

The point of this debate is to acknowledge the success of what has been done and to look forward and consider what further tools could maintain the downward trend in crime. That becomes more difficult the more successful we are. I want to raise three points. First, there is a need to maintain front-line staff, including police community support officers. Secondly, there needs to be a whole community answer to alcohol abuse and related crime. Thirdly, I want to mention the Talents programme, which was developed in Plymouth and is a cost-effective way of producing results.

On front-line staff and PCSOs, there used to be a big argument about getting officers out of cars and having bobbies back on the beat. We still discuss how to ensure that police officers and PCSOs are out and about for a high percentage of their time, but I have not heard the either/or argument about panda cars versus the beat for some time. That is thanks largely to the advent of PCSOs, who have become the eyes and ears of the neighbourhood team and trusted allies to people in communities who want to see change for the better. With the advent of neighbourhood policing, of which PCSOs are an important part, we have both/and, not either/or.

My constituents and I worry that the pressures facing police authorities, including the added pressures arising from the pension obligation, will weaken what has been so recently established to such good effect. What measures does the Minister think are needed to ensure that police authorities are required to make administrative efficiency savings, while protecting front-line services? Police forces such as Devon and Cornwall have done some of that work effectively to ensure that front-line services can be developed. I hope that that will be recognised. A blend of carrots and sticks will be required to focus minds on the difficult times that lie ahead. I hope that he will give some pointers on how he thinks that will happen.

I was pleased to hear that partners in our local strategic partnership are planning to share back-office and procurement costs on a scale that would not have been possible before we had the strategic partnerships that are now well embedded. That can and must be scaled up through multi-area agreements across local authorities, PCTs and police authority areas if our precious front-line services are to be protected.

Having an alcohol policy is simply a no-brainer. I do not mean that in the sense that some people consider it a good thing to get drunk out of their skull at a weekend; I mean it in the sense of having effective policies to reduce demands on the health service, the police authority and much other public service spending. There is also, of course, a quality of life issue. A great deal of work has been undertaken by organisations and individuals in Plymouth to prevent and alleviate harm resulting from the use and abuse of alcohol. The challenge set out in the Government's "Safe. Sensible. Social. The Next Steps in the National Alcohol Strategy," which was published in 2007, is to minimise health harms, violence and the antisocial behaviour associated with alcohol, while ensuring that people are still able to enjoy alcohol safely and responsibly, as many people, of course, do.

I have a sense that, despite the strategy, there is a need to give greater impetus to what is being done locally and nationally. If we are to bear down further on crime, it is important to deal with the matter correctly and, from what I know, it should not be rocket science to do so. We need to create cities and communities in which people who want to enjoy themselves can do so without damaging their own health or damaging the communities that suffer from antisocial behaviour. We also need to ensure that the health of individuals whom such people

come across is not damaged. That includes far too many shop workers and public sector workers in the health and police services. I am a great admirer of the Union of Shop, Distributive and Allied Workers "Freedom from Fear" campaign. However, we still need to get to grips with alcohol, because it is at the root of so much antisocial behaviour against public sector workers. Dealing with crime has to be as much about changing the culture of things as it is about conventional policing. As I said, doing so is not rocket science, but it requires the sort of joined-up national, regional and local approach that is essential if we are to preserve front-line services and meet the challenges that lie ahead.

I would like to offer a solution to some of the taxing problems that we will face in the coming years, which will perhaps be part of the answer to the things that I have mentioned above and to many other things as well. Mr. James Webster, who until recently was Plymouth's police commander, looked to the Gospel according to St. Matthew to find inspiration from the parable of the talents—you will be familiar with that parable, Dr. McCrea. The landowner gave money to each of his servants, and urged them to make good use of it. Those who invested it made bigger returns and in turn earned more.

Chief Superintendent Webster gave £500 to each of Plymouth's 11 neighbourhood sergeants to develop initiatives that would help to address crime and disorder priorities identified by local residents at PACT meetings. As with the landowner's servants, each sergeant had to account for what they had done with the money. The range of ideas was extraordinary—from a simple TV and video set-up showing policing information at two of the city's biggest supermarkets, to a fireworks scheme in an area of Devonport with an arson problem. There was also a street dance initiative, a boxing club, a football coaching scheme and a project that funded students themselves to develop community ideas.

In a follow-on from the first Talents programme, neighbourhood teams linked with some of the Co-operative Society stores in the city to tackle the youth crime and disorder often associated with hanging around the communities' eight-til-late-type stores. That programme is in its 13th round. It has brought a whole new approach to policing and has released the full potential of some very talented people. When Mr. Webster was interviewed about the programme by Carl Eve, a reporter for *The Herald* in Plymouth, he said:

"When I came to Plymouth, I quickly realised the very high calibre of staff we were now recruiting - much more than when I joined - but our rank structure hadn't changed...We were getting top-quality people but weren't making it easy for them to use the full range of their abilities. They have massive powers on the street - they can arrest people or break down doors - but they don't have the power to authorise expenditure of a £10 note."

He said that policing procedures "strangled innovation" at street level and that officers complained that, if they could only get funding for an idea, they could achieve better results. Just like in the parable, Mr. Webster gave them that opportunity. He allowed them to be creative, but insisted that there should be a return. Officers have in fact turned £500 into £20,000 or £30,000 projects. They have created long-term community assets and generated good will from members of the community involved.

The Home Office has supported the initiative, and £55,000 of the national partnership improvement fund money has been awarded to the city's strategic partnership, to develop the idea across the entire partnership. In the difficult times that lie ahead, we should perhaps take heed of what the programme's author says about it:

"If I had £20,000, I could buy a new police car, but its impact would be very little. Put £20,000 into the community, from the grass roots up, and I can do a lot more with it...Once you allow officers the power and responsibility they can do far more than you ever would if you just directed them. It's inspiring and humbling to see people fired up. People join the police to do great things."

The Talents model gives a structure to seek funding, and to create leadership, innovation and entrepreneurship in the fight against crime in Plymouth. Indeed, it is a practical working model for partnerships for and with other public services that deliver at a community level. Our further education provider—the City college—is now delivering a course designed to empower front-line staff in public services to use the model. Public services, including the fire service, are indeed using the model.

I am pleased to have had the chance to talk about some positive things in relation to tackling crime in Plymouth. I hope that the Minister, as well as joining me in acknowledging some of the good work being done and thanking those who work so hard to deliver good public services, will point the way to how we can go even further in bearing down on crime in Plymouth and elsewhere.

1.16 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Alan Campbell): It is a pleasure to serve under your chairmanship, Dr. McCrea, and to listen to the wise words of my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy). I congratulate her on securing this important debate and on her long-standing commitment to the issue, which has been shown outside our short debate today. She has been a strong local champion for the people whom she represents. We share her concern and commitment to ensuring that we maintain reductions in crime and antisocial behaviour. We take the issue very seriously.

I am pleased to note from my hon. Friend's comments that Plymouth reflects the continued national downward trend in crime and disorder. As she said, overall crime is down nationally by 36 per cent. and there have been bigger reductions in burglary and vehicle crime and violent crime. The south-west is a relatively low-crime area and overall crime is lower in Plymouth than in many similar areas nationally. However, given that Plymouth is an urban centre, the figures are, of course, slightly higher than those for the surrounding areas. Many types of crime are declining, such as theft of vehicles, burglary, criminal damage and violence, and they are continuing to fall even during a recession. The accepted wisdom was that there would be a big increase in crime during a recession, but that has not happened. Part of the reason for that is the proactive response from not just the Government, but all agencies on the ground, including those in Plymouth.

We have put measures in place for the longer term—for example, more effective action is being taken to tackle domestic abuse and families are safer as a result. I join my hon. Friend in congratulating Plymouth on being awarded a green flag in 2009 through the comprehensive area assessment for protecting the public during large-scale emergencies. I agree with the central theme of her

[Mr. Alan Campbell]

speech, which is the importance of good local working. In order to tackle crime and disorder successfully, it is vital that key local stakeholders work in partnership together.

Crime is being tackled locally by Plymouth's community safety partnership, which combines the previous crime and reduction disorder partnership with the stronger communities group of the local strategic partnership. A range of public, third sector and business agencies are working well together to keep the city safe, and that provides an inclusive, integrated approach to tackling the city's safety issues. That is important because tackling crime and disorder is not just a matter for the police, the local authority or, indeed, the Government; it is a matter for the whole community. The key to tackling crime and antisocial behaviour is for good local partnerships to work together.

My hon. Friend drew attention to Operation Talents, which is a highly innovative and successful way in which local groups can work together to consider how things can be done more effectively. The key is to trust local people and local partnerships. It is about not only sharing responsibilities but focusing on problem solving. We need to understand what is happening in an area and who is causing the problems so that we can target resources on those who blight our local communities, because that will reassure the majority of residents. I am sure that other areas will want to look at Operation Talents and its underlying principles, because it is very much the direction in which we want local partnerships to go. Opting for such a scheme is a matter for local areas, but we, at the Home Office, are very pleased to do everything that we can to support them.

When we talk about crime and disorder, people want to know about the local police. Plymouth follows a well recognised neighbourhood policing model. Teams are present in all 43 neighbourhoods in the city's three policing areas. All neighbourhoods have three top priorities agreed through a community engagement and they benefit from a person first, problem solving approach.

Nationally, police numbers are at an historic level, and they are supported by 16,000 police and community support officers. I want to reassure my hon. Friend that the Government have guaranteed the funding for warranted officers and PCSOs who do such an important job in her community, and in all our communities. It is about not just numbers but how the police work in an area. Neighbourhood police teams are transforming policing in our local communities, with 80 per cent. of their time being spent on front-line policing. Moreover, they are governed locally by the terms of the policing pledge, which is partly designed locally. They are measured by the confidence that local people have in the police and in their partners.

Let me say something about police funding. Given that we live in a changed set of financial circumstances, my hon. Friend has raised some understandable concerns. We have guaranteed that the money will be there for warranted officers and PCSOs into the future. We have already announced a £259 million increase in overall police funding for 2011. None the less, in the longer term, it will be necessary for the police to continue to look for more savings.

As my hon. Friend acknowledged, the police in her area are already embarked on such a process. The police service delivered value-for-money improvements of £500 *million in* 2008-09, and is on track to deliver £1.3 billion per annum by March 2011.

Linda Gilroy: Does the Minister understand the concern that a successful authority has when it has already achieved its target? In being expected to go further, it will be benchmarked against authorities that have not gone quite so far. Will the Minister consider how the formula could be worked to take account of that?

Mr. Campbell: I will certainly bear that point in mind and also talk to my colleague, the Minister for Policing, Crime and Counter-Terrorism. Changing the police formula is very difficult. If we change it in one area, it has a knock-on effect in others. Generally, we expect police forces to make savings in, for example, ICT and the procurement of goods and services. Moreover, we expect them to work together better to procure not just vehicles and equipment but the services that they need. Whatever concerns individual police forces have, it is incumbent on all police authorities and forces to do everything that they can to save money in such difficult times.

My hon. Friend raised the idea of the whole community coming together to tackle the problem of alcohol, and I agree with her. Many areas have problems with alcohol and crime and disorder, but, again, it is a matter of public perception. The reality is that alcohol-related crime has fallen in many areas in recent years, but it is still too high, and it can have a huge and damaging effect on local communities. Our aim is to minimise the violent antisocial behaviour and the health harms associated with alcohol, but we also want to ensure that people can enjoy alcohol safely and responsibly. There is an array of powers that partnerships can use, and I urge them to do so. When such powers are used, people's behaviour changes.

The Government understand the need to tackle the irresponsible premises that contribute to alcohol-related crime and disorder, which is why we introduced the new mandatory code that comes into force today. The code bans irresponsible promotions such as, "All you can drink for £10", "Women drink free" deals and speed-drinking competitions. Moreover, we are committed to improving the management of the night-time economy, and we have invested in a major programme of training for front-line practitioners to ensure that existing powers are being used effectively.

We have also invested in regular enforcement campaigns—such as the £1.5 million partnership support programme from the Home Office—in the top 50 alcohol priority areas specifically to target public perceptions of drunk and rowdy behaviour. Plymouth has been identified as a priority area for 2010-11, and, as such, will receive additional support to tackle alcohol-related crime and disorder. We are currently in the process of planning the next phase of support for our priority areas.

On 13 and 14 October, police and licensing colleagues from Plymouth attended the Home Office's alcohol skills seminars in Torbay at which training and guidance was given on enforcement skills. We are also committed to encouraging individual responsibility. We have launched the £4 million national "Know your limits" social marketing

campaign to challenge the tolerance of drunkenness as well as establishing nine new adult alcohol arrest referral pilot schemes, and a further six pilot schemes for young people to ensure that those who have been arrested for an alcohol-related offence can benefit from a brief intervention by a trained worker, which should help significantly to reduce reoffending.

Furthermore, we have introduced drink-banning orders, which prohibit known troublemakers from entering pubs and clubs and consuming alcohol in public. We are committed to continued reductions in alcohol-related crime and disorder, and we believe that the measures that I have outlined and those that we will consider in future will bring further benefits to our communities.

We know that antisocial behaviour is sometimes fuelled by alcohol. Perceptions of antisocial behaviour in Devon and Cornwall are in line with the average for England and Wales, and we have taken a front-footed approach to reducing such behaviour. The new deal for communities has developed local programmes to tackle perceptions of antisocial behaviour over the 10 years it has been operating. My hon. Friend asked with great frustration why the public does not recognise what is going on in their area. Changing attitudes and perceptions is very difficult.

Linda Gilroy: Does the Minister think that if the public understood the cost in each locality, it might focus their minds rather sharply?

Mr. Campbell: There is a considerable cost to antisocial behaviour. However, there is an understanding among the public, particularly where alcohol is concerned, that they should acknowledge that the investment—and it can be considerable investment—in alcohol referral pilots, drug intervention projects, family intervention programmes and other such interventions pays, because, in the long term, the pay back is considerably more than the cost of investment. However, at this time, and in the future, there will always be different priorities in the public mind. I am clear, as I am sure that my hon. Friend is, that antisocial behaviour continues to be of major concern to communities in Plymouth and elsewhere.

Dr. William McCrea (in the Chair): The next debate is about the development of Kidderminster railway station: I see the Minister is very popular today and is back in his post again.

Kidderminster Railway Station

1.30 pm

Dr. Richard Taylor (Wyre Forest) (Ind): It is a delight to have secured this debate under your chairmanship, Dr. McCrea, right at the end of this Parliament. You will have noticed that this morning's subjects have been crime, poverty and inequality, and public transport—three of the crucial issues that we shall, I think, be returning to repeatedly in the next few weeks.

I must declare an interest. First, I am a very small shareholder in the Severn Valley railway. I would not call myself a train buff, but I certainly remember going to school for many years on trains pulled by gorgeous steam locomotives in the '40s and early '50s, so I am nostalgic for steam railways. That is why I want to talk about Kidderminster station.

At the moment we have a very uninteresting square brick box: that is Kidderminster station. It is just next door to the gorgeous Severn Valley railway station. I think, Dr. McCrea, that you are probably old enough to remember Hornby trains and I wonder whether you ever had one of those tin-plate stations that they made, just after the war. The Severn Valley railway station is reminiscent of just that type of station.

This is not the first time that Kidderminster station has come up in Parliament. In 1852 Acts of Parliament were needed to extend the railways, and it was then that they were extended to Kidderminster, on the Worcester to Wolverhampton line. I am told that the first station, from 1852 to 1859, was just a wooden structure, and that there was another wooden structure from 1859 to 1863. Then, in 1863 the Great Western Railway took over. Anyone who knows about it will know that GWR really stands for God's wonderful railway. It certainly had the most interesting and the best selection of steam engines. Even though I was brought up as a London, Midland and Scottish lad I must admit that GWR had the edge.

When GWR took over the station it was discovered that sitting in Swindon was a sort of kit for a station that had been designed for Stratford-upon-Avon. The kit was the most amazing wooden-covered structure and it produced for Kidderminster the most unlikely, impossible station building ever. It was a half-timbered extravaganza—my idea of a haunted country cottage; the sort of place where the witch in Hansel and Gretel would have lived. It was described by the historian H.C. Casserly as the

"ultimate in half timbering".

At its peak it had a station master—one of the pre-eminent citizens of the town—and 25 to 30 staff. There were 11 porters. Can you imagine that, Dr. McCrea? One never sees a porter in a station these days. It had refreshment rooms and catering staff.

That amazing building lasted until 1968, when it was riddled with dry rot and it was uneconomic to repair it; so we lost that cottage in the country in the heart of Kidderminster. It was replaced in 1974 by the small, square brick box that I have mentioned. At the same time, the Severn Valley railway, which is the preserved steam railway from Kidderminster to Bridgnorth, was developing, and shortly afterwards it achieved its own station. The convention in the Great Western Railway was that if there were two stations in a town, the one

[Dr. Richard Taylor]

nearest to the town centre was called the town station. The Severn Valley railway station has the distinction of being Kidderminster Town station, because it is about 75 yards nearer to the town centre than the main station.

For years, we have needed something more in keeping with the Severn Valley railway station. Now, thank goodness, we have the chance of that, and it is terribly important, with the growth in passenger traffic. In 2004-05 about 750,000 passengers used Kidderminster station and in 2008-09 there were more than 1.25 million; so it is going up. The station is situated on one of the main entrances to Kidderminster from the south-east and we want a prestigious entry to the town. Since I have been the MP I have been promoting it, strange to say, as a tourist attraction, because we have an almost unique collection of industrial heritage buildings and structures. To our great delight we are just about to achieve a carpet museum—because Kidderminster is known as the pre-eminent carpet town. We have the building and much of the money, and expect it to happen. That is at the bottom of Comberton hill, which is the road on which the station is situated. In addition there is of course the Severn Valley railway; the railway museum in Kidderminster, which has the largest archive of photographs apart from that of the National Railway museum; the Bewdley museum; and the refurbished Stourport docks, as well as one of the very few water-powered forges.

Those present a splendid tourist attraction and it is marvellous that the county and district councils, Network Rail, London Midland and the Severn Valley railway are all coming together to produce what we hope will be a dream station—not quite the chocolate box thing we had before, but something very suitable and attractive. I understand that £3.5 million has been put aside: £2.5 million from the county council—presumably from the Government—and £1 million from Network Rail.

In an idle moment I browsed as we all do on Google and Wikipedia, which I was delighted to find says:

"Plans are in hand to replace the small brick station building with something echoing that of the adjacent SVR building. As well as this, the plans envisage a large bus exchange, improved car parking and "drop off" areas."

That is all very exciting. I am grateful to Louise Butcher of the business and transport research section of the Library for giving me some details about the station code, which was updated in 2006 and which emphasises safety and accessibility and the aim of integrating other forms of public transport.

To make an exciting, impressive and compatible entrance to the town and to Wyre Forest, design is crucial and the choice of architect is vital. I was delighted to learn that the tender list includes an architect who is not usually on Network Rail's lists—a heritage architect who happens to be a railway enthusiast and who is the architect for the railway museum. I hope that he will put in a pretty competitive tender.

There are one or two concerns, first about the building. Not that long ago, a footbridge was built at Kidderminster, because until then it had been necessary to walk off one platform, cross by a road bridge, and descend to the station again. We now have a footbridge, which is a particularly hideous building of a sort of sickly yellow brick, with a weird plasticky-metal sort of structure, providing the bridge and a staircase. The worst thing about it was that from building to opening took about six months, because the people who designed and built it did not realise that the lights on it would dazzle the engine drivers coming from Worcester so that they could not see the signals. Therefore it could not be opened. It took about six months to put the right sort of glass in the bridge so that train drivers were not dazzled. We want the right architect—someone who understands railways—who will ensure that that type of problem does not arise.

My next concern is the timing. My understanding is that the money has to be spent by 31 March 2011. With the consultation finishing only on 18 June and the tendering process still to be gone through, time is getting very short, so I again appeal to the Minister to impress on everyone how fast they have to move.

With regard to the consultation, there is no mention of or question about the invaluable newspaper shop that is there at the moment; it provides biscuits and coffees as well. There is only one question about the structure, and it is a very odd question. It is in the improvements questionnaire. The question is:

"How important to you is it that the new building minimises its environmental impact?"

Does that refer to the building having to be very green or to the visual impact? If it is a brick box, we do not want any visual impact at all, but if it is a delightful semi-classical building that fits with the other one, much as, amazingly, Portcullis House fits with the rest of the parliamentary buildings, we would like a great impact.

We welcome the plans. People are very excited, but there are some major local concerns about traffic issues. The third key part of the project is

"The installation of traffic signals at the entrance junction to the station".

As I said, that is off Comberton hill from the south-east—the main route into Kidderminster from the south-east. Concerns about the traffic lights, which I think are absolutely genuine, come from local shopkeepers and traders, from representatives of the Severn Valley railway and, most important, from the traffic management police officer. They all object to the fact that the traffic lights will cost £700,000, which is about one fifth of the total money available.

The traffic management officer makes six points. First, there are no particular traffic problems now. Secondly, lights will cause delays on what is already a congested road, with traffic lights at the top, a big roundabout at the bottom and a pedestrian crossing in the middle. Thirdly, that road—Comberton hill—is already ranked at or near the top in Worcestershire for pedestrian collisions. Delays and congestion could make such collisions even more likely. Fourthly, there is no rear access to businesses, so lorries that are making deliveries often have to be double-parked. If there are traffic lights and streaming of the traffic, that will cause chaos.

The fifth point relates to parking. The traffic lights themselves will mean the loss of only two parking spaces, but between the two sets of traffic lights that will be necessary, there is a single yellow line. I had to check The Highway Code, but people are allowed to park on the single yellow line out of hours—after hours. It will

be a tremendous blow to lose the six or seven extra spaces. People could manage losing the two for the lights themselves, but not the six or seven that will be covered with a double yellow line, because in the road are a large number of fast-food outlets. Captain Cod, the fish and chip shop, which is very well used, is just by the single yellow line. The Railway Bell is also there. The road was badly harmed by the loss of the post office some time ago, so I do not want to see any more difficulties for the traders.

The last comment from the traffic management officer is that there will be only about 10 buses an hour, and those that go through to Bromsgrove, continuing towards the south-east, will go straight up the hill without turning in to the station in any case.

I come now to suggestions. First, we need urgently a full road safety audit and traffic flow studies. If they show that traffic lights are not absolutely necessary, I have two alternative suggestions. The first, which is very realistic and comes from the traffic management officer, is a cobbled junction platform, which will slow down the traffic and will be in keeping with the cobbles that will remain on the station forecourt. The second suggestion, which is really my dream and goes well with the heritage of the Severn Valley railway station, is to reinvent a policeman in a pulpit just for the hours of 5 to 7 pm—the peak hours. Until relatively recently in Kidderminster, we had a policeman in the pulpit, and the traffic management officer remembers that and remembers how hard it was for policemen to keep their arms in the right positions for all the time that they were on duty. A policeman for just two hours, five days a week, would not cost £700,000 a year and I would love to see that come back, but that is only a thought.

I hope that the Minister can reassure us that we are looking forward to an appropriate building to enhance this crucial entrance to Kidderminster and the Wyre forest. It could restore some of the romance and excitement of rail travel, because people are returning to the railways for environmental reasons and because of the cost of petrol. I look back to the day of E. M. Forster writing in "Howards End" about railway termini:

> "They are our gates to the glorious and the unknown. Through them we pass out into adventure and sunshine, to them, alas! we return."

We are looking for such a gate to the glories and the unknown features of Wyre Forest in the new station at Kidderminster.

1.46 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): It is good to be back again, Dr. McCrea. I congratulate the hon. Member for Wyre Forest (Dr. Taylor) on securing this debate on what is clearly an important issue for him and his constituents, as well as for others travelling to and from Kidderminster station. I listened carefully to his points, and the Government share his vision for stations to have that gateway role both to the railway and to the community that they serve.

Kidderminster is one of London Midland's busiest stations, with 1.2 million passenger journeys recorded in 2008-09. London Midland operates most of the services to and from the station. Kidderminster station has quite a history, as the hon. Gentleman outlined. It opened in 1852 with the extension of the Oxford, Worcester and Wolverhampton railway from Worcester to Stourbridge by the Great Western Railway. I listened to the hon. Gentleman's description of the former building. I am told that a station building of mock-Tudor design survived until 1968, when it was demolished and replaced by the small brick building that stands today. The Severn Valley railway's southern terminus shares the same station approach road and is known as Kidderminster Town to distinguish it from Kidderminster station, for the reasons that the hon. Gentleman outlined.

Kidderminster was one of the original stations chosen in 2006 for the Access for All programme. Work commenced on a £2.5 million project in November 2007 and encompassed an entirely new footbridge and two lifts, which provide a fully accessible route to and between both platforms. The project was completed last July. I was sorry to hear the hon. Gentleman's comments about the colour of the brickwork, but I understand that the project has generally been well received locally. Accessible stations make a huge difference to people's journey experience. I am referring not only to those with reduced mobility but to those carrying heavy luggage or pushing unwieldy pushchairs.

I understand that there was some delay to completion of the works due to delays in obtaining listed building consent—I can understand that in the context of the area—but that those were resolved by cladding the new works with brick better to match the Victorian design of the station. A bid for funding from the Access for All small schemes fund in 2010-11 is under consideration.

More recently, as part of its franchise obligation, London Midland has secured 100 extra car parking spaces for passengers from the Severn Valley railway in return for enhancements to the car parking facilities. As part of a passenger benefits package, London Midland is investing an additional £4.4 million in new high-quality information equipment, which could include improvements at Kidderminster. In an attempt to persuade more people to use the railway, 50,000 day rover tickets were made available for travel over the Christmas period, and an additional 400,000 advance purchase tickets will be made available over the next two years on some of London Midland's most popular routes. Again, passengers who use Kidderminster station may benefit from that initiative.

There are plans to rejuvenate Kidderminster station through a £3.5 million project that would provide a new layout of the station forecourt with improved facilities for bus services, and a new station building with improved passenger facilities. An improved walking connection from the new station building to the Severn Valley railway station building is also being proposed. I heard the hon. Gentleman's comments about the traffic signals, but I can say little about that level of detail today, other than to encourage him to engage with the local authority and those with responsibilities for highways in Kidderminster to ensure that they are aware of his concerns and address them fully as the scheme develops.

There is also a proposal for £2.5 million from the west midlands regional funding allocation to be used to fund improvements outside the station, and for a £1 million contribution from the national stations improvement programme to be used to fund the new station building. Smaller contributions from partner local authorities are also anticipated.

[Chris Mole]

I understand that a project board of key stakeholders has been formed to consider the best option for rejuvenating Kidderminster station. The board includes representatives from Worcestershire county council, Wyre Forest district council, Network Rail, London Midland, the Severn Valley railway and the Kidderminster railway museum. Public consultation on the detailed design of the station forecourt, including road and public transport access, was launched on 29 March, and the hon. Gentleman has put his comments on road access on the record. The plans envisage a large bus exchange, and improved car parking and drop-off areas. Worcestershire county council is writing to stakeholders, and I understand that it is happy to arrange a meeting to brief the hon. Gentleman on the project's details.

We were happy to receive bids for small-scale rail schemes such as that at Kidderminster station in the refresh of the regional funding allocation advice that we requested from the regions last year. The west midlands region advised that the Kidderminster scheme was a priority for funding, and we responded positively to that advice in July last year.

The regional funding allocation programme, particularly local authority schemes, are benefiting from record levels of spend at present, but clearly we need to exercise due caution, as any responsible Government would do, when considering requests that would add to the current commitment. Although I appreciate the urgency of the project, I cannot give the hon. Gentleman a guarantee that funding will be available for the scheme, but I can promise that the proposal is being carefully considered. Similarly, although the local delivery group responsible for the London Midland portfolio of stations has identified Kidderminster station as a candidate for the second tranche of funding from the national stations improvement programme, decisions on the second tranche schemes are not expected to be made until later in the year.

I understand that there has been quite a bit of debate about the design of the new station building, with a number of stakeholders keen to ensure that the design meets heritage objectives and provides a suitable gateway to Kidderminster. In particular, people have argued—the hon. Gentleman has done so eloquently today—that it should be more in keeping with the character and feel of the Severn Valley railway's Kidderminster Town station. I understand that Network Rail has been considering using its modular station design at Kidderminster. Although the system is still in its infancy, there are already a number of examples of modular stations on the network at Greenhithe, Mitcham Eastfields, Corby and, most recently, Uckfield. Modular stations may provide an economical way to build new stations or rebuild existing facilities, and by minimising energy use they offer an excellent example of sustainable design. That addresses one angle—environmental impact—that the hon. Gentleman asked about.

Dr. Taylor: I hope that I am mistaken, but the only module that I have seen is a hideous, glass, square box.

Chris Mole: I was worried that the hon. Gentleman might draw that conclusion, although I assure him that designs that I recently saw for a sustainable station at Accrington were a little less angular and, although modern, it would fit into its setting. We realise that modular designs do not provide the appropriate solution for all stations—for example, where there are buildings of historic or architectural interest. I understand that a possible compromise at Kidderminster might be to provide a modular building in terms of functionality with a modular interior single-storey station building, with external aspects to complement the heritage themes associated with the Severn Valley railway and the local area. I hope that such a modular design would allow the newspaper shop about which the hon. Gentleman is concerned to be retained. I am sure that whenever possible Network Rail wants to retain a tenant that provides it with an income.

The year 2010 marks the 40th anniversary of the operation of the Severn Valley railway, which is one of the most popular heritage railways in the UK. The original Severn Valley railway linked Hartlebury near Droitwich with Shrewsbury, and was constructed around 1860. Ten years later, the line was absorbed into the Great Western Railway, and eight years after that a new spur was opened to Kidderminster. Trains to and from Kidderminster used the existing mock-Tudor station building on the existing line linking Birmingham, Stourbridge and Worcester. The Severn Valley railway carried both freight and passengers but, despite being popular with tourists from the west midlands, its fortunes declined after the second world war. Passenger services were withdrawn from most of the route in 1963, and freight was withdrawn in stages from the same year.

Thanks to the efforts of rail enthusiasts, much of the line has been reopened in stages and currently operates between Bridgnorth and Kidderminster. The Severn Valley Railway Preservation Society started in 1965, and operated its first trains five years later. The line was then extended towards Kidderminster, with the final stage opening in July 1984. Kidderminster Town station is a modern construction—there is a mock-Tudor theme here—in a traditional Great Western style and contains facilities suitable for a heritage railway, including catering and retail. The Severn Valley railway suffered a major setback in 2007 with severe flood damage leading to the closure of much of the preserved railway. Sterling efforts by many people and organisations have enabled reconstruction of the route, and last year those efforts paid off with almost 250,000 passengers, only marginally below the record level of patronage in 2005. The line now employs around 70 people, but much of the work that provides visitors with an excellent experience is done by the numerous volunteers who enable the railway to operate. I would like to take this opportunity to pay tribute to everyone involved with the Severn Valley railway, including the hon. Gentleman, which is a wonderful example of successful local enterprise.

I hope that the hon. Gentleman has been reassured that, although it is not possible at this stage to give any guarantees on funding, work is progressing on plans to rejuvenate Kidderminster station so that passengers will be able to look forward to an improved end-to-end journey experience in future. We share that vision of the railway station as a gateway to both the community and the network.

Question put and agreed to.

1.58 pm

Sitting adjourned.

Westminster Hall

Wednesday 7 April 2010

[CHRISTOPHER FRASER *in the Chair*]

House of Commons (Effectiveness)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Steve McCabe.)*

9.30 am

Martin Salter (Reading, West) (Lab): To misquote one of my contemporary political heroes, my hon. Friend the Member for Sunderland, South (Mr. Mullin), whom I have come to regard as a friend as well as a colleague, this will be the last speech that I shall ever make as a Member of this House of Commons. It comes at the end of what some have called the Manure Parliament, at a time when the stench of corruption and personal greed has overwhelmed the good that we try to do and the reasons why the vast majority of us come to this place. In my last contribution I want to mount a staunch defence of politics and politicians: not as an apologist for the status quo—because I have always been on what one could call the Hezbollah wing of the reform movement—but because I believe passionately that a precondition for the survival of a healthy democracy is the holding of regular elections, and that for those elections to function there must be candidates. Those candidates who eventually succeed in securing the approval of the electors will, whether they like it or not, grow up to become politicians, just as night follows day.

Yet, if we follow the subtext of much of the media coverage of our politics—and it long predates last spring's expenses scandal—things would be so much better if somehow we could have politics without politicians and clear out the whole political class. All the ills of the world are easily solved, all problems are simple, and politicians—us lot—only make matters worse. Then, by adding a dose of xenophobia and a dollop of snobbery with some implied racism mixed in from time to time, we have the gospel according to Rod Liddle, Melanie Phillips, Jan Moir, Richard Littlejohn and a dozen other commentators of the fourth estate, who know it all. Well, anyone can write about what other people should be doing. I have spent a quarter of a century of my life as a public representative, often listening to other people telling me what I should be doing. I only wish I had spent half as long hearing people ask how they, too, could come forward and serve their communities assiduously, as the best of us here and in councils and assemblies the length and breadth of this land try to do.

I want to quote—more accurately—another of my contemporary heroes, my hon. Friend the Member for Cannock Chase (Dr. Wright), who gave the 2009 lecture for *The Political Quarterly*, which I commend to hon. Members. That provided much of the inspiration for this debate. He said of politicians:

> "You see someone has to do it—someone has to take responsibility. As politicians we give voice to the hopes of the people and inevitably we will also feed their disappointments."

Those are wise words and they apply as much to Nelson Mandela and Barack Obama as to Tony Blair or Winston Churchill.

We should not apologise for coming together to form political parties. It is what the public want us to do. They want us to forge alliances based on common programmes and principles. The notion of a House of Commons filled with 650 Independents, unable to agree on a single thing, has never appealed to the electorate, although it is in their gift to deliver it. At its best this place is the cockpit of our democracy, where the battle of ideas is fought out, and the hopes and aspirations of the people who sent us here receive expression and are sometimes realised. At its worst the Commons can be a craven institution, in thrall to either the Executive or party advantage, and pandering to the baser parts of the media. The day we finally subcontract our law-making to the likes of Paul Dacre and Rupert Murdoch will be the day on which representative democracy dies. Collectively we will have lost the moral authority that we have left.

We have gone far too far down that road already, giving too much power, without accountability, to unelected press barons who draw their political lineage and set their moral compasses from such repulsive headlines as "Hurrah for the Blackshirts" in the *Daily Mail* of 15 January 1934; I think that it has become more extreme over the years. Who will ever forget the famous headline in *The Sun* of 9 November 1998: "Are we being run by a gay mafia?" It was particularly demeaning to see the former leader of my party attempting to formulate child protection policy on the basis of a *News of the World* witch hunt that led to a mob attack on the home of a paediatrician, rather than by listening to the sensible, informed opinions of senior police officials and experts from organisations such as Barnardo's and Save the Children, who know a thing or two about managing paeodphiles released from prison. We have yet to find out what price Mr. Murdoch has extracted from the Leader of the Opposition in return for the political endorsement of *The Sun*. I worry that we may see the break-up of the BBC and certainly a diminution in the regulatory powers of Ofcom.

This debate almost never happened. My original intention, shared with the Leader of the House, was that the debate should be entitled "In Praise of Politics". The Clerks ruled that out of order. I then compromised with "In Praise of Parliament". That was also the subject of a banning order from the men in wigs. We eventually settled on today's somewhat obtuse title. There we have it: as politicians we cannot hold a debate about politics and as parliamentarians we cannot praise Parliament. There clearly remains much to reform about this place, including the arcane rules that govern our proceedings and the regime that so delights in enforcing them.

Some 13 years ago I made my maiden speech on the case for reform of the House of Commons, calling for nothing less than a new politics for a new century, and a political system that would connect with the public and their aspirations. In the intervening period I have done my level best to put as much of the reform agenda as I could into practice, but collectively we have fallen disappointingly short of those worthy objectives, which seemed so achievable in those far-off days of hope in the summer of 1997.

Anyone who served with good intent on the Modernisation Committee or, more recently, on the Select Committee on Reform of the House of Commons, knows through long and bitter experience how intensely conservative this institution is—how resistance to change

[Martin Salter]

has been elevated to an art form and how achieving radical reform is as difficult as nailing blancmange to a wall. Just look at the inordinate length of time it took to allow the citizens of tomorrow, in the shape of the United Kingdom Youth Parliament, to hold their annual meeting in the House of Commons, It took five years from the publication in 2004 of the modernisation report, which I helped to draft, for us belatedly to follow in the footsteps of that great reforming body, the House of Lords, and allow the unelected bottoms of the UKYP to sit on those green Benches and participate in what proved to be a lively and articulate debate, which showcased the best of our young people, and hopefully launched a political career or two. I suppose that it was better late than never; but why such fuss and delay?

Of course, there is a powerful case for further reforms—for permanent, if not incremental, revolution. I have argued before for ending moonlighting and paying MPs properly. It is a full-time job and we should work full-time hours. I would provide proper resources to meet the increasing demands of our constituents. They are not the same from constituency from constituency. Constituencies such as mine or those of my hon. Friends the Members for Nottingham, North (Mr. Allen) and for Birmingham, Northfield (Richard Burden) have, in their nature, vastly more casework. I talk to Members of Parliament for other constituencies who have given up holding advice surgeries, because no one comes. That is fine, too, but let us ensure that the resources meet the demand.

I want genuine public engagement. I want to end the farce of early-day motions, and conning the people that they mean something. I argued for that in my maiden speech and in the Wright Committee. If sufficient Members across the party political divide put their name to a limited number of motions it should drive House business, and there should be a debate in the House. That would properly engage the public.

I have looked at examples from Australia where Members can use interesting devices such as three-minute constituency statements, in which a matter of import—particularly local import—can be raised without a convoluted attempt to tack it onto a question about something else. I am bitterly disappointed that 13 years on we shall still not see reform of the House of Lords completed. I remain a defender of the principle of a second Chamber. All too often, perhaps because of the ineffectiveness of the House of Commons, the second Chamber does a better job of scrutinising legislation, which should be a matter of shame for us all.

We really must end time-wasting as a political weapon. It is monstrously unfair that we do not have time to put through much-needed legislation and reform and yet waste hour upon hour marching organisations up to the top of the hill for private Members' Bills and other motions that simply go nowhere because of the ability to filibuster. In this place the most disempowered group are the critical friends of whoever are in Government. In Public Bill Committees Government Members are encouraged to keep quiet—often I do not follow that advice. Why do we not co-opt outside expertise onto those Committees? The notion that a Bill, once published, must travel through Parliament for a form of mock scrutiny, during which not a semicolon, paragraph or phrase can be amended, is ridiculous. We are all paid a reasonable salary to do a little better than that and to apply our judgment and that of our advisers and constituents.

Perhaps we should go further and set a maximum age limit for Members. I am leaving this place because I vowed not to be rattling around the House in my 60s. That is not to say that people here in their 60s do not do a fantastic job, but I became a councillor 25 years ago when I was 29 years old and there are other things that I want to do with my life.

I will raise a point about our staff that has been overlooked. It is difficult for any Member facing re-election to criticise the report and recommendations of the Independent Parliamentary Standards Authority, but we should take a closer look at what it is seeking it to do to our staff. The 10 per cent. staff pension allowance that was formerly paid centrally now comes out of the starting budget, yet with no corresponding increase. If Members pay their staff up to the maximum, and those representing places like Reading have to pay the maximum to get good staff—we are only as good as the people working for us—they will effectively have to implement a 7 per cent. wage cut. That is monstrous. For all I have read about the expenses scandal, which applied to only a minority of Members from across the House, I have never come across a staffer or researcher who spent money on a duck house or a moat or who claimed for a false mortgage, but once again it is the poor bloody infantry who are carrying the can, not the officer class.

Mr. Graham Allen (Nottingham, North) (Lab): Will my hon. Friend give way?

Martin Salter: Briefly, as I am warming to my theme.

Mr. Allen: I am loth to interrupt my hon. Friend in mid flow, but I will add that although the amount of money allocated to Members for staffing purposes sounds very large, after taking out national insurance and pensions, it is not only quite a small sum—only enough for three and a half people covering the constituency and Westminster—but smaller than it was last year. We will be trying to do more on less over the coming year.

Martin Salter: I thank my hon. Friend for that intervention. As I will say later in my speech, the public want us to do more.

There is a concern, to which I hope Members will turn their minds, about complaints to the Standards and Privileges Committee. I have been the subject of a vexatious complaint and ended up having to take legal action—I made history by being the first person to sue a sitting Member. It is awful for a Member to have an unresolved complaint having over them. Where possible, I hope that the Commissioner will resolve complaints or publish interim findings so that Members who are the subject of vexatious or politically motivated complaints do not have them hanging over them as they face the electorate, because we all know how easy it is to imply ill of people purely on the basis of an unproven accusation. Furthermore, on the other side of that concern, there are three or four complaints against Members still outstanding because they have failed to co-operate fully

with the Committee and the Commissioner in the hope that judgment can be deferred until after the election. That is also wrong, as those matters should be resolved.

We have had our successes, of course. The Select Committees are often still regarded as a 30-year experiment, and I think that we could conclude that it has been successful. In fact, I understand that recently seven consecutive lead stories on the "Today" programme featured either a report or the work of a Select Committee. For many of us, particularly those who will never be given an opportunity to ply our trade in Government, Select Committee work is perhaps the most rewarding we will get to do. The Select Committees must remain the focus of the process of scrutiny in this place.

I am pleased that we introduced topical questions, but it is ridiculous that the Government choose what is topical. We can do better than that, which is why we need our new Back-Bench business committee. We have seen more pre-legislative scrutiny. I would hold up the Marine and Coastal Access Act 2009 as an excellent example of legislation on which we worked together with the other place. The Bill was published in draft and then amended and improved so that we put forward a superb measure.. It was heavily criticised by the Government Whips Office at the time as a dreadful example of legislation because it had been amended so often. That is what we are here to do and what we pick up the salary for.

The election of Select Committee Chairs was something I called for in my maiden speech. We are on the verge of achieving it, but it has taken 13 years for something so patently obvious. There is the proposal for a Back-Bench business committee, although I read last night that the Government's business motion does not find time for a 90-minute debate to put through the key recommendation of the Wright Committee. I give notice to my hon. Friend the Deputy Leader of the House that if the Government want my votes in the wash-up, and the votes of those Members who participated on the Wright Committee and backed those reforms, she should state when she responds that the Government will make time for a Standing Order to be put in place and not rely on the device of a single Member standing up to torpedo months and months of important, hard work.

Mr. Christopher Chope (Christchurch) (Con): The hon. Gentleman has signed the amendment to that business motion, which is on today's Order Paper, as have I and other Members present. If the Government will not give ground and accept the amendment, does he not think that we should have a last exercise of Back-Bench power in this Parliament and force it through?

Martin Salter: I have drafted an e-mail to send to the many people who are prepared to stand up for Parliament and for representative democracy, and unless I receive a satisfactory answer, the button will be pushed.

I want to talk a little about the unsung work that takes place here by Members across the political divide. I single out the hon. Member for Totnes (Mr. Steen), who is leaving under a cloud because of expenses and some unwise comments, but whose contribution on the vital matter of human trafficking often goes unreported and unsung. The work of the all-party group on Gurkha rights, on which I have worked with the hon. Member for Colchester (Bob Russell) and the right hon. Member for Maidstone and The Weald (Miss Widdecombe), was instrumental in getting that issue right to the heart of Government and forcing a sufficient number of Members on our side either to vote against the proposals or to hold back and enable the Government to come to their senses and give justice to those who are prepared to shed blood for our country.

Everyone who makes it to this place, however inarticulate some may seem, has something about them. Thousands of people try at every election to get into Parliament and very few succeed. To come through that process they have to have some attributes, which, sadly, this place can overwhelm from time to time. Every day Members of Parliament are on their feet, pressing issues and concerns close to the hearts of their constituents. The best advice I ever received was from a Member who has since left my party, the right hon. Member for Birmingham, Ladywood (Clare Short). She told me, "Remember, the House of Commons is the best megaphone in the world. Use it wisely and sparingly and for the issues that matter to you and your constituents and you won't go far wrong." I offer that advice to the phalanx of new Members who will join this place.

I worry about this place, particularly under the new rules. The travel arrangements say that my constituency of Reading, West can be commuted to in an hour. I have done that commute for 13 years—I have never had a London flat—and I have never, ever done it in an hour. When we sit late, there are times where I am dragging myself back here again in the morning. I do not regret it for a moment. I certainly did not regret it when *The Daily Telegraph* published its files. It has enabled me to be a more effective MP. But the idea that a Minister can deliver that job and the ministerial requirements as well as be an effective constituency MP while commuting during all those crazy hours, as I have had to, is for the birds. If we, in our politics, undervalue, underpay and under-resource ourselves, we undervalue our democracy and our political system.

My own parliamentary record is one of modest endeavour, but with the occasional achievement. I am particularly proud of the change in the law to make it illegal to download violent internet pornography. That followed the appalling death of the daughter of a wonderful lady, Liz Longhurst, from Reading. Her daughter, Jane, was horribly murdered by someone addicted to such pornography who had, in the past, sought help in respect of some of the depraved snuff movies and other imagery that is available out there in the wonderful world of the worldwide web. The *Evening Post*, communities in Reading, Amnesty International, women's groups and cross-party coalitions all worked together on persuading the Government to treat that imagery in the way we treat child pornography. It is not just its publication that is now an offence—how can we go after a website based in Guatemala or Mexico?—but downloading it becomes an offence, too.

I was pleased to work with my hon. Friends the Members for Nottingham, North and for Birmingham, Northfield and many others, including some other hon. Members, in making a bit of parliamentary history. We published the first alternative education White Paper. We did not like the Government's White Paper in 2006, because we were bringing the marketplace into the schools, much like the Conservative manifesto now. It was clear that local authorities were being removed

[Martin Salter]

from the ring and that those wealthy enough and powerful enough would be able to set up their own schools, and the rest could go hang. Instead of promoting a parliamentary rebellion in the conventional sense—waiting until the last moment, with the various troops marched up to the top of the hill—we rewrote the White Paper. Former Secretaries of State for Education were involved. Once 100 Labour MPs had put their names to an excellent document, the then Prime Minister decided that it was time to talk. It is always good to talk.

I will always remember with huge affection leading a delegation from the Northern Ireland Affairs Committee to Belfast in 1998. We campaigned for the agreement in the Falls road in the morning and in the Shankill road with the loyalists in the afternoon. It really was politics in the raw. Whatever our differences may be on the Belfast agreement, it is a huge achievement of our politics and our political process that politics restored itself to Northern Ireland and that 300 years of killing and hatred started to become a distant memory. Huge credit goes to the politicians of Northern Ireland for being prepared to embrace change.

I have tried to use what organisational skills I have to get us to work collectively on issues, often across the political divide. It was pleasing last year to be working with hon. Members in the Thames valley to defeat the crazy plans of the Environment Agency to sell off all the lock-keepers' cottages. We did that. Those crucial workers can now carry out their responsibilities without fear of eviction. The campaign for the Speaker of the House, which I will touch on shortly, was another exercise in organisation.

I thank my right hon. Friend the Member for Sheffield, Central (Mr. Caborn) who, as Sports Minister, made me my party's spokesman for angling—the great passion of my life—which was a role that I particularly enjoyed. That position gave me the opportunity to give a voice to Britain's 3 million recreational anglers. It was my pleasure to be able to publish Labour's charter for angling and to see that we do what we can to promote Britain's most popular participant sport.

The job has changed over the years. The number of letters and e-mails, and the contact that we have with the public, have grown hugely. Figures from the House of Commons post office show that in the 1950s the average Member of Parliament received some 15 to 20 letters a week. If only! We can reach that number in an hour now. As we know, figures are now in the 400 to 800 mark, and growing.

We live in a culture of instant gratification. We have website polling and we want instant answers. There are those ridiculous bespoke websites, including TheyWorkForYou.com. Tragically, I know hon. Members of the 2005 intake who have tailored their work programmes to get a high score on the TheyWorkForYou website. As we know, an intervention used to count the same as a speech and parliamentary questions were asked to drive up a score, rather than for a purpose.

In the 1950s, one in 11 people belonged to a political party. *[Interruption.]* I am sorry to say, Mr. Fraser, that a crown has decided to fall out during my final speech. I will hiss for the remaining few moments. *[Laughter.]* I think that I will turn away from the cameras.

In this decade, one in 88 people belong to a political party. Are we saying that people are engaging more, or is it just a small minority who are doing so? We tried to respond to this situation. I have set up supporters clubs in my constituency. The Conservative party has shown the way forward with open primaries. We have community forums, too.

It was right and proper that we produced constituency reports, keeping ourselves in touch with our constituents. I regret the end of the communication allowance. The hon. Member for Hammersmith and Fulham (Mr. Hands), who is not in his place, has criticised the publication of constituency reports, yet his own council issues an almost daily council newspaper seeking to achieve the same thing. A degree of consistency on this issue would be helpful.

Mr. Allen: May I say that my hon. Friend may lose a crown, but he certainly deserves a title for his work as a Back Bencher?

The constituency reports—certainly, the ones that I produce—reflect our constituencies. Some hon. Members represent deprived constituencies where lots of people do not normally come to the Member of Parliament, because they regard the MP, even one who tries to be approachable, as somewhat distant. Putting a report around the constituency and giving a phone number, details and surgery times is an outreach effort that MPs should be commended rather than penalised for, which has now happened since we have been told that we can no longer do this.

Martin Salter: I could not agree more. Of course, we are talking about the very people who do not often go online or read local newspapers. We should be attempting to engage with all our citizens, not just the informed minority.

I remain sceptical of people who argue that parliamentary reform and making the House of Commons more effective can be achieved by some kind of magic bullet and that proportional representation will be the answer. I remain convinced—I was 13 years ago and I am now even more so—of the importance of the constituency link. It is our responsibility to try to drive up turnout. I have done some work for the Wright Committee, looking at Australian models. Compulsory voting will drive up turnout, but my goodness it changes the way that politics is done: in a compulsory voting system there is no longer a need to have to inspire, because people have to turn-out, so politics becomes even more negative and even more about trashing the other side and fear. The level of abuse in the Australian Parliament makes that point. I think I shall bottle it rather than mention a particular instance. *[Interruption.]* Actually, as it is my last speech I really do not care. Perhaps the worst example of abuse was from Mark Latham, the former Labour leader, who managed to get into *Hansard* that the Opposition Front Bench was

"a conga line of suckholes".

How lovely! Our reputation may have fallen, but we still have some way to fall yet.

Radical reform of this place needs radical leadership, which is why I backed Mr. Speaker for election to this place and why, in the previous election for Speaker, I backed the right hon. Member for North-West Hampshire (Sir George Young). I will always back the reform

candidate. May I say a little about the nonsense that has come out—the plot that has been hatched—in the Procedure Committee? The suggestion that the current Speaker of the House of Commons was not subject to the secret ballot that he is calling for his deputies is fundamentally wrong. He is the only Speaker who has been elected by a secret ballot. At the start of the new Parliament, we have a procedure to trigger deselection. If Members of Parliament want to deselect the Speaker of the House of Commons, they should not hide behind a secret ballot; they should walk through the Lobby, and put their names on the record. Not so to do is a coward's charter.

I believe that Parliament made the right choice. I really do. Our current Speaker has proved himself to be a reformer. We have already seen a brisker style of dealing with oral questions. More Members are called, which is fantastic, and more urgent questions have been granted. There is a tracking system for written questions, and more pressure on Ministers. The Speaker is considering restoring cross-cutting questions in Westminster Hall on subjects covered by two or more Departments. He is a reformer and, goodness me, we need a reformer in the Chair of this place.

Have we ever been popular? I thank Peter Riddell of *The Times*, who is probably our most eminent political commentator, for drawing my attention to the following quote:

"Politicians are a set of men who have interests aside from the interests of the people, and who are, taken as a mass, at least one long step removed from honest men. I say this with the greatest freedom because, a politician myself, none can regard it as personal."

Those were the words of Abraham Lincoln in 1837. There has never been a golden age when politics and politicians were revealed—I intended to say revered, but they have certainly been revealed!

The theory that we are all scoundrels has been a constant refrain. Of course that is unfair, but we do not always help ourselves, do we? The rush to American-style triangulation is dangerous. We could triangulate away and focus-group away, but what would happen to principle? We would achieve the lowest common political denominator. A collective, political class would chase after the lowest common political denominator. Sometimes, we must lead. We would not have delivered civil partnerships by referendum or votes on Sky. Sometimes we must stand up for what is right, and lead public opinion.

What I am perhaps most proud of in my constituency is not when I was everyone's sweetheart and followed the herd, but when I stood up to my constituents and called for, supported and campaigned for a new mental hospital in the middle of my constituency in a public park, because the old Victorian practice of consigning the mentally ill to asylums with no bus routes and so on was inhuman. When we lead, the public sometimes respond, and some of the fiercest critics of that hospital eventually sat on the steering committee to make the project successful. We must never, ever allow the campaigning process to triumph over the principles of why we seek people's trust to allow us to govern in the first place.

No valedictory address, even a semi-valedictory one, can be completely depersonalised, so please forgive me, Mr. Fraser, if I take a few moments to describe how I arrived in this place to represent my constituency and my home town of Reading. I was blessed with politically engaged parents who cared. I was blessed with a grandfather who was prepared to make sacrifices for his political principles. He went to prison as a conscientious objector. After experience in the voluntary sector and the trade union movement, I arrived in Reading in 1980 not to become a councillor or an MP, but to go fishing. I bought my first house on the banks of the River Kennet. I have always been suspicious of people who had their lives mapped out on the back of an envelope and who intended to make their first million in their 20s, marry well in their 30s, enter Parliament in their 40s, and become Prime Minister in their 50s. The former right hon. Member for Henley, much as I like, admire and respect him, may have been in that mould. The present hon. Member for Henley (John Howell) is much more modest.

Christopher Fraser (in the Chair): Order. I have given the hon. Gentleman great latitude in the issues that he is discussing because this is his valedictory, but he is trespassing slightly on my generosity, and other people want to contribute to the debate. May I ask him to remember the title of the debate in his final comments?

Martin Salter: I accept your strictures, Mr. Fraser. I want to put on the record my thanks to Reading district Labour party for sending me here to help to make the House of Commons more effective, not just in 2010 but in 1997 and during the intervening years. I thank it for making me its candidate in seven elections, in six of which I was fortunate in being successful. My deepest appreciation goes to my constituents who have been most kind and generous in their thanks, words and wishes. I want particularly to thank my loyal staff, who have played their part in helping me to try to make the House of Commons more effective in 2010. They include Moira Dickenson, Viki Lloyd, Ann Morgan, Alex Crampton, Will Sherlock and my current workers, for whom I will buy a drink tonight.

I could not have represented a better constituency or worked with a more pleasant bunch of people. There is no doubt that, as a result of what has gone through the House of Commons when it has been at its most effective, my constituency has benefited from 13 years of this Labour Government. We have had new planning protection for Kennet meadows, and we have two new hospitals. I referred to one earlier, and the other is the Royal Berkshire. We have seen massive investment in our schools with improving results, and the £26 million John Madejski academy, of which I am proud to be a governor, has raised educational standards in a challenging part of my constituency. We have a record number of police officers and community support officers. My constituents are healthier, safer and better educated than ever before.

Perhaps it is fitting, as a former shop steward, to end by speaking up for the trade of politics. I implore those who follow on in this place to promote nothing less than a cultural revolution in our political life. The vicious, build-them-up, knock-them-down culture is a self-defeating road to nowhere except personality-driven politics. This House of Commons must remain central to our national political life. It must never be treated merely as a vehicle for policy announcements and party press releases. To brush it aside is to brush aside the one powerful tool that our democracy bestows on its citizens.

[Martin Salter]

We should remember that power vacuums never remain in place for long. Our politics may not be perfect, but when politics fails, people with guns invariably take over.

Christopher Fraser (in the Chair): I would like to start the winding-up speeches at about half-past 10, and at least two Members want to contribute.

10.7 am

Mr. Christopher Chope (Christchurch) (Con): It is a pleasure to serve under your chairmanship, Mr. Fraser. This is the first—and probably the last—time I have done so. As your parents are my constituents, it is right to put on the record my appreciation of your role as a trusted and loyal colleague since 1997.

I congratulate the hon. Member for Reading, West (Martin Salter) on his speech, and on introducing this topic, which fortunately is very wide. It includes the effectiveness of the House of Commons in 2010, and I shall refer briefly to matters on today's Order Paper concerning the Back-Bench business committee. It is perhaps a pity that the hon. Gentleman did not spend more time on that.

Cynicism about politics and politicians is at an all-time high, and the Prime Minister tried to counter that by saying, "Don't worry. I will give more power back to Back Benchers." He then set up the Wright Committee, which argued against the Executive and the shadow Executive by making a strong case for a Back-Bench business committee. There was a debate last month, and it was significant that there was strong support for that committee from Back Benchers throughout the House. When it came to the vote, the Executive and the shadow Executive voted against it. Is it surprising that the Standing Order amendments, which are necessary to implement this wish of the House, are still below the line.

The only excuse provided yesterday by the Leader of the House was that amendments had been tabled. However, that did not prevent her from putting other things above the line in priority. For example, I have tabled a large number of amendments—about 15—to the Sustainable Communities Act 2007 (Amendment) Bill, which is a private Member's Bill. If the motion before the House today goes through, the Leader of the House will have effectively torn up the Standing Orders by saying that although that Bill was due to be considered further on 23 April, she wants to amend the arrangement. The fact that I have tabled amendments is not a reason to block the Bill; that is a specious argument in the extreme. I hope that we will be able to exercise power on the Back Benches to ensure that we get the Back-Bench business committee, which we have repeatedly been promised.

I want to speak briefly about the effectiveness of the House in another respect, and I shall begin by quoting what the Speaker said in the 31st report of the House of Commons Commission, printed on 21 July last year:

"If the House is to regain public confidence, it needs among other things to demonstrate that it is an effective and modern Parliament, not only forceful in holding the executive to account and scrutinising its activities but also run in a professional and accountable manner."

That brings me to an issue about which I have tabled many questions: I am concerned about the financial implications of the proposal for the establishment of a day nursery. As you will know, Mr. Fraser, that project was originally designed to provide short-term child care for a six-month trial period, which was the decision taken by the House of Commons Commission at its meeting on 19 October last year. In November, it was decided that a detailed proposal, including fully costed options for a child care facility, should be produced in December. At the December meeting, the Commission decided that a nursery facility should be set up at 1 Parliament street, and that it would begin operating in September 2010. That was done on the basis

"of seeking to recover the full running costs from users."

I tabled a question to inquire about what would be included in those running costs. On 29 March, I received a reply from the hon. Member for North Devon (Nick Harvey), who answered on behalf of the Commission, and stated:

"This has yet to be finally determined." [*Official Report*, 29 March 2010; Vol. 508, c. 625W]

There is no accountability. We have an assertion that the project will cover its costs, but we are not told what those costs will be.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Neither I nor my hon. Friend are opposed to the day nursery in principle, but we are opposed to the principle and method by which the decision was made in the House. It was never formally referred to the Finance and Services Committee, which has been set up in the House to consider important financial matters. My hon. Friend makes the case that no proper business case has been put in place. Does he not think that the Clerk of the House needs to consider the matter carefully before the project proceeds?

Mr. Chope: I am sure that that is right, and I pay tribute to the work that my hon. Friend does as a member of the Finance and Services Committee. I understand his frustration that on this issue, and on that of the Speaker's adviser, his Committee has been bypassed.

Mr. Clifton-Brown: I would like to put on the record that this is one of several occasions when important financial matters have bypassed the Finance and Services Committee. If we are to have such a committee, it ought to consider all financial matters before they come before the House.

Mr. Chope: Exactly. That is what the Speaker must have meant when he spoke about the need for us to scrutinise activities and run the House in a professional and accountable manner. As my hon. Friend will know, the minutes from the Commission's meeting of 29 March stated that

"the Accounting Officer will examine the business case, including cost and value for money aspects."

We now know that the cost has gone up to £511,000 plus VAT—that is £600,000. In addition, there are costs associated with the need for extra evacuation in the event of fire. The costs keep rising, but the matter has not been referred back to the Commission in accordance with issues of accountability.

In the real world, issues of affordability are significant. Families up and down the country are saying, "This is desirable, but we can't afford it." I hope that an incoming Government will put at the forefront of the mission statement for every incoming Minister the need to separate what is desirable from what is affordable during the worst financial crisis in our lifetime. We in this House will not set a good example if we do not apply those principles to the way in which we conduct matters. I have already shown that this project has developed into a full-blown day nursery. Now the costs are running away, and we do not even know that there will be a demand for such a nursery.

A lot of cold water has been poured on this way of dealing with child care by a gentleman who is the largest child care provider in central London. He says that it is best for child care for children under the age of 5 to be in a home setting, or as close to the home as possible, rather than in a central London location. He has produced a paper showing how better value for money could be obtained through a different way of expending money on this service. I am not against child care facilities, but we should think this project through carefully and ensure that we get value for money.

Christopher Fraser (in the Chair): I remind the hon. Gentleman that we are talking about the effectiveness of the House of Commons, not its efficiency. Perhaps he will bear that in mind as he continues his speech.

Mr. Chope: I am grateful to you, Mr. Fraser, for saying that we are talking about the effectiveness of the House. When judging that effectiveness, one of the top criteria is whether people outside the House think that we are applying the same standards in the House that they apply in their own lives. Ultimately, the money that we spend in the House—whether in subsidising food or whatever else—is provided by the taxpayer. That is important.

Another issue is that of petitions, and the reforms aimed at giving them more prominence. The people who use the facilities in 1 Parliament street submitted a petition—I declare an interest, as the lead signature on it is that of my researcher. The petition gathered a large number of signatures over a couple of days, and only now have we have received a response. However, I am not sure that the response does much for the reputation of the House and its effectiveness. It does not respond at all to the suggestion for providing alternative facilities in Derby Gate. All it does is express regret on behalf of the Commission for the fact that many staff will have an important facility taken away from them, and that there will be a loss of income to the refreshment department of £80,000 a year.

As you can tell, Mr. Fraser, I feel strongly about this matter because in the end the effectiveness of an organisation is judged not on its generality but on specific examples. I do not want to be a Member of a House that gets a reputation for spending money without proper accountability. The House would be more effective if there were a lot more accountability for the way in which we spend money, and if we gave more power and authority to the Finance and Services Committee.

My right hon. Friend the Member for North-West Hampshire (Sir George Young) is the Chairman of something called the Administration Estimate Audit Committee. I wrote to him in that capacity on 11 March and I have no record of having received a substantive reply; I have certainly had an acknowledgement. I said in my letter:

> "As your Committee's terms of reference require it, inter alia, to encourage best financial practice, use of resources and governance in the House administration I hope you will intervene quickly to ensure that the proposed works"

for the day nursery—

> "do not proceed without endorsement from the Finance and Services Committee."

It is not too late for that to be done. In any event, I should have thought it prudent now to defer any final decisions until the beginning of the new Parliament, when we shall know what the demand for those facilities is likely to be. Then we can have another look at the costs and the effectiveness on that issue.

10.20 am

Richard Burden (Birmingham, Northfield) (Lab): I did not originally intend to make a speech. I was just going to intervene on my hon. Friend the Member for Reading, West (Martin Salter), but I so much wanted to listen to what he had to say that I never got round to intervening. I shall just say a few words.

My hon. Friend made very important points about what serving in this place means. It is both a privilege and a responsibility, especially for those of us whose commitment to social justice took us into the Labour party and made us stand for election in the first place. It is a privilege to be able to give voice on the national stage to the issues that arise in our constituencies and the issues that our constituents bring to us, whether that be my constituency in Birmingham or my hon. Friend's in Reading. As he said, it has been a privilege to be able to use our votes in this place to bring about some of the improvements in public services that he mentioned.

However, being in this place is also a responsibility. That sometimes means even telling the Government whom we support that we think they are getting things wrong. As my hon. Friend said, we worked together on education matters to do that in 2006, and we had to tell the Government that we thought they were getting it wrong in 2003 on Iraq.

One thing that underlay everything in my hon. Friend's speech—this is the main issue that I want to raise and conclude on—was the way he is and has always been committed to shaking up the way this place works. We need to shake it up in a way that opens up politics rather than closes politics down and that allows Members of this place a little more freedom to strike those balances between the privilege of speaking up and the responsibility of sometimes saying things that are a bit discordant, and a little more freedom to say those things in a way that opens up politics and boosts democracy.

My hon. Friend and I believe that part of the process of opening up politics should be a change to the voting system. We perhaps disagree on the level of proportionality that that should involve. I shall pass over that, but certainly as we approach the election, when all parties are talking about opening up politics, for anyone to say that the voting system itself should be a no-go area for debate is entirely wrong.

I pay tribute to the work that my hon. Friend has done in his time in this place. If hon. Members are in the same party, they refer to one another as hon.

[Richard Burden]

Friends and we normally are, but I have to say that he is an honourable friend of mine and I am proud to say that. Those of us who are standing again in the election, if we are successful and are re-elected, have an obligation to continue the work that he outlined so successfully in his speech today.

10.24 am

Mr. William Cash (Stone) (Con): First, may I pay tribute to you, Mr. Fraser? I mean that. I know that you are standing down, and many of us deeply regret that, so I should like to get that off my chest to begin with. Secondly, I congratulate the hon. Member for Reading, West (Martin Salter). He and I have taken part in these debates on a number of occasions. He, too, is standing down and I pay tribute to him for the effectiveness that he has brought to the House. I also pay tribute—without overdoing it, I hope—to my hon. Friend the Member for Christchurch (Mr. Chope), who has continuously fought for the rights of this place, and to the hon. Member for Birmingham, Northfield (Richard Burden). I welcome very much what he said, because it is exactly what I should like to say. It is simply this: responsibility is the other side of the equation.

We need radical reform in the House, and furthermore we were promised it. When I say "radical reform", I mean radical reform. We must bring the House back to where it belongs—being respected by the people. It must also be in line with what the freedom of choice that lies at the heart of our democracy really means. The question is who governs and how, and the abandonment of the business committee by the Government yesterday is not in any way a reflection of the direction in which we should be going. We also have the matter of the House business committee, which slipped off the agenda about 10 days ago. That is also vital to bring back the conduct of matters in the House to where it belongs, which is not with us because we think that we are important, but with the voter because we are elected by them and it is their freedom of choice that enables us to speak on their behalf.

I deplore the introduction of the proposal for the alternative vote system and the gimmickry that lies behind it, for the same reasons. It will not make the House more effective. It will not bring it back to the people. It will simply act as an artificial mechanism to achieve the results that the Liberal Democrats want. It is no more than a piece of political chicanery as far as the Government are concerned. I have had this out with the hon. Member for Cambridge (David Howarth) in the past, and he knows that Lloyd George himself switched horses on this subject over and over again.

We dealt with the Equality Bill yesterday, and the issue of Christians wearing crosses came up. There is not only a question of equality, but a necessity for responsibility. I deplore the decision that was taken in the employment tribunal yesterday. The issue hinges ultimately on the question of the application of human rights. I referred yesterday to the remarks of the Lord Chief Justice, who issued severe strictures against the way in which the human rights culture and human rights decisions have been advocated even by judges at the expense of our own common law and in relation to the European Court of Justice as well. That is there in the speech that the Lord Chief Justice gave only a few days ago, on 17 March.

I believe that the effects of the Lisbon treaty in relation to the criminal justice law will make the position even worse. Ultimately, the question turns on how we are governed and who governs us, and the bottom line is that it is increasingly the legislation and abstract principles that come from Europe, adjudicated by unelected judges instead of the people themselves. We must tell the British people the truth both on the economy, which is not being done, and on the way in which the European Union is taking away their right to govern themselves through their elected Members of Parliament.

My final point is simply to repeat what Churchill once said. I am paraphrasing, but it is so important: "You should put your country first, your constituency second and your party third."

10.28 am

David Howarth (Cambridge) (LD): It is a pleasure to speak under your chairmanship, Mr. Fraser, although this is the last time, as both of us are leaving the House. I thank the hon. Member for Reading, West (Martin Salter) for negotiating his way to this debate. He said a lot of things, many of which I agreed with—it is especially good to greet a fellow commuter. Nevertheless, I can respond to only a couple of the points in the time that I have.

First, the question that the hon. Gentleman raises itself raises a further question: what is Parliament's job? We cannot tell how effective a body is until we know what its job is in the first place, so I shall make some remarks about that. Secondly, he raised the question about what kind of people are coming into Parliament and into politics. That is a very important question and I shall say something about that as well.

On the first point, the key issue is what Parliament's job really is. As the hon. Gentleman knows, I have found a great contrast between this place and local government—between what a Member of Parliament is supposed to do and what a member of a local authority is supposed to do. A member of a local authority is there to make decisions about things that happen, whereas the job here seems to be just rhetorical. The hon. Gentleman has made that rhetoric effective on a number of occasions, but it is a very different thing.

It comes back to two problems. One is the idea that the job of Parliament is not to govern the country but only to hold to account those who do. That was said originally by Gladstone, and the time has come to question it. If our job is not to set at least the outlines of policy, why are we here? What kind of people are attracted to a job that is not to effect policy, except when they are promoted to be Ministers along the route of patronage? That is a real problem.

The second problem is that this country seems to operate according to a theory of a single source of authority, which used to be the Crown, under the hereditary principle, but is now the leader of the winning party in the election, who holds power as a single source of authority under current assumptions. Therefore, from the point of view of the media, when Parliament does the job mentioned by the hon. Member for Reading, West—changing proposals for laws as they go through

the House—it seems to be rebelling and defying that authority. The theory is wrong. We need a different idea of Parliament's job, whereby it is perfectly legitimate for Members of Parliament to do their job and not be accused of defying the single source of authority. Otherwise, we shall end up in a situation in which the only supposedly legitimate job of a Member of Parliament is to act as a member of an electoral college in the first week of a new Parliament, but after that to be a kind of drone or cheerleader.

I have supported nearly all the proposals for reform. I am a great supporter of changing the electoral system, and believe that a different configuration of parties, and majority rule not being so common, would change the single source of authority theory. I am in favour of the business committee and will have more to say about that this afternoon—we need to get rid of the idea of Standing Order No. 14, under which the Government, just by being the Government, control the agenda of the House. I am also in favour of an elected Lords and all that. However, such proposals all come down to this: do we have a political system that has moved from having an hereditary monarch to having an elected, presidential monarch? I do not think that we should have such a system.

The second question is about who comes here. In part, the answer depends on what the job is. I think I am observing a serious change in who comes here, because of what the job is seen to be. Often, members of the public think that Parliament is dominated by lawyers. I am a sort of lawyer, but an academic one, not a real one, so I notice how many lawyers there are and it is only about 11 per cent. of the House, not the 60 or 70 per cent. that people think. In fact, the percentage of lawyers in the House is going down. I suppose we can get up to 14 per cent. if we include people such as me, who are academics, and those who have law degrees but did not practise. Instead, the type of person coming into this place has a background as a professional in politics or in the media, in marketing, public relations or journalism. In the current House, nearly 40 per cent. of the parliamentary Labour party have some such background as political professionals, and across the House as a whole about 20 per cent. have a background as media professionals.

In case people think such a situation will change if lots of Conservatives are elected, of the incoming Conservatives in their held and target seats, exactly the same percentage have been political professionals and even more—nearly a third—have been in the media professions. The life of such people involves not making real-life decisions, but manipulating symbols and getting themselves ahead by their ability to manipulate symbols.

Mr. Clifton-Brown: Has the hon. Gentleman done any research on the number of Members of Parliament who have a business background? Both Houses seem to be lacking people with business experience and, consequently, we are getting too much legislation that is not business-friendly. After all, businesses in this country are the bedrock and the wealth creators.

David Howarth: One of the problems with such research is defining "business" as including all sorts of businesses. I would be interested in finding out the sorts of business that people were engaged in and the kinds of position they held.

Should we despair of the present situation in politics and of the changes, in personnel in particular? Can anything be done about it? The hon. Member for Reading, West is right that there never was a golden age—politics has always been difficult, even if we go back to the classics of political sociology. I want to read out what Max Weber said in 1919 at the end of his great essay, "Politics as a Vocation", because it is still true:

> "Politics is a hard, slow boring down through hard boards. It takes both passion and perspective. All historical experience confirms the truth that we would not have attained the possible unless time and again we had not reached out for the impossible. But to do that, one must be a leader, and in a very plain sense, a hero. And even those who are neither must arm themselves with a steadfastness of heart that can take strength even from the shattering of all hopes, or else we will not be able to achieve that which is possible right now. Only those who are sure that they will not be destroyed when the world, from their point of view, seems too stupid or too debased for what they have to offer, who can say, in the face of all of this, 'in spite of all', only they have a true vocation for politics."

Those of us who have lost our vocations should at least say that we have not lost our faith. Politics is still the most important thing for anyone to do—it is about everything. Even those of us who are liberals and believe that the most important thing to do in politics is to draw a dividing line between what politics should be active in and what it should not be active in—between the public and the private—recognise that that question itself is a political one, which must be defended and argued out in places such as this.

Politics is about defending political views—it is about all the other things that the hon. Member for Reading, West mentioned, but in the end that is what it is about. Even though a lot of us say that politics is something that we should do less, we should all end by saying that it is something that a lot more people should do more of.

My final message echoes something said by the hon. Gentleman. Politics is only safe when it is done by more people and when more people participate and have the experience of responsibility. The reason that he is right about the media and their effect on our politics, is that it infantilises our population. We need to do the opposite and to make sure that we have ways of encouraging more people to take more responsibility. Only in that way can we maintain our democracy.

10.38 am

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): May I start by paying a personal tribute to you, Mr. Fraser, for your personal friendship to me over the years? You will be very much missed in the House—on both sides of the House, I believe I am correct in saying. You have been a trusted friend and we shall certainly miss you.

I join others in congratulating the hon. Member for Reading, West (Martin Salter) on securing today's debate on the effectiveness of the House of Commons, a subject on which he has spoken consistently and with irrepressible force since entering Parliament. As far back as 1997, in his maiden speech, the hon. Gentleman called for restraints on the powers of the Whips, which caused great excitement on the Government Front Bench, holing his parliamentary career below the waterline even before he had made it out of port. There is perhaps no more fitting way to round off his time here than by drawing the battle lines for the next generation of Members before he sets sail into the sunset.

[Mr. Shailesh Vara]

In recent days, many Members have made valedictory speeches in the Chamber. As a self-proclaimed moderniser, it is only fitting that the hon. Gentleman should make his valedictory speech in Westminster Hall. I also pay tribute to his work as a member of the Wright Committee, a subject to which I shall return. Incidentally, may I also pay tribute to the hon. Member for Cambridge (David Howarth)? He, too, has made his last speech in the House, and I wish him well.

Few would deny that Parliament has been subject to a gradual and relentless attack on its powers and prerogatives, something to which my hon. Friend the Member for Stone (Mr. Cash) referred. Although it has been happening over many years, it has been particularly acute in the years since 1997. On his last day as Prime Minister, Tony Blair said to a packed Chamber that he was not

"a great House of Commons man"—[*Official Report*, 27 June 2007; Vol. 462, c. 333.].

That was an understatement of considerable proportion. Parliament suffered greatly under his premiership. For example, statements were regularly issued to the media before being made in Parliament, and Parliament suffered from the growing payroll vote.

Many of those traits continued under the current Prime Minister. We have seen the routine use of the guillotine; the quantity of legislation has become more important than its quality, and whole groups of new clauses or amendments are often pushed through without debate—for example, in what became the Counter-Terrorism Act 2008, the Housing and Regeneration Act 2008 and the Planning Act 2008. Most recently, many groups of amendments to the Constitutional Reform and Governance Bill were not debated. It is hardly surprising, therefore, that the other place has often improved our legislative drafting, which was needed because of the lack of debate in the Commons.

However, the attacks on Parliament's prestige and standing have not all been caused by the Executive. As we have heard, Parliament collectively has done itself huge damage. The expenses fiasco and, latterly, lobbygate, have meant that this Parliament will be remembered for all the wrong reasons. In dealing with these issues, there has been a distinct lack of effective leadership from the Government, who have regularly been seen to be reactive rather than proactive. The resulting damage to Parliament and to politics generally has been considerable, and the public's dismay is completely understandable.

Of course, there have been some changes over the past 13 years. Indeed, the hon. Member for Reading, West has been at the forefront of many of them. They include an end to all-night sittings; the Prime Minister giving evidence to the Liaison Committee; the introduction of debates in Westminster Hall, along with a more family-friendly general approach. Most of those improvements were about making life easier for MPs, but too often they also made life easier for the Government. A good example of that is the routine use of the programme motion.

The Opposition believe that, after more than a decade of power ebbing from the Commons to the Executive, we need to make life harder for the Government. If the Government have a harder time of it, ultimately the citizen will benefit.

Mr. Gregory Campbell (East Londonderry) (DUP): I thank the hon. Gentleman for giving way, and I join him in paying tribute to those who have made valedictory speeches. I think particularly of you, Mr. Fraser; we have had a long and good relationship.

The hon. Gentleman speaks of things being made harder or easier for the Government. Is it not the case that all who hope to return here after the election should want Parliament to be more relevant to voters rather than easier or harder for the Government?

Mr. Vara: The hon. Gentleman is correct that Parliament should be made more relevant. I maintain that we should make Parliament an institution that makes it harder for the Executive, effectively making the Executive more accountable. The hon. Gentleman makes a valid point. In the 21st century, we clearly have different modes of communication—for example, the internet—and we need to adapt to them. I shall speak about that in connection with petitions. We certainly need to become more relevant. That may also increase the number that can be bothered to vote.

More radical changes are needed. I thank the hon. Member for Birmingham, Northfield (Richard Burden) for his contribution. I disagree with his concept of proportional representation. Those who propose PR often say that it brings about an equality of votes, but they conveniently overlook the fact that PR systems give a disproportionate amount of influence and power to minority parties in hung Parliaments. They also overlook the fact that minority parties would more or less be in permanent power, as they would be prepared to do deals with whichever party had the higher number of votes. Many people would agree that it is only fair that one party should not hold on for ever and a day.

Richard Burden: The hon. Gentleman and I may disagree over proportional voting systems, but if Labour wins the election it is likely that we will have not the proportional system but the alternative vote. Does the hon. Gentleman agree that it should not be we politicians but the people who decide these matters through a referendum? Does he agree that the people should be given a choice about what voting system we have?

Christopher Fraser (in the Chair): Order. I remind the House that the debate is not about voting systems but the effectiveness of the House of Commons.

Mr. Vara: With that in mind, Mr. Fraser, I say simply that although I agree with having a referendum, it is important that all arguments are put to the public.

David Howarth: Will the hon. Gentleman confirm that in the current wash-up, the Government and the Conservative party are doing the negotiating, and excluding all other parties? How can he explain his remark about minority parties having disproportionate power when, for example, the Government have no majority in the House of Lords?

Mr. Vara: The hon. Gentleman makes specific reference to the next 48 hours. With proportional representation we are talking about Parliaments, which last up to five years. That is a huge difference, and the arguments are quite different.

We welcome the recommendations of the Wright Committee, not least because many of them were suggested by the Opposition. However, although we are pleased to see the passing of some of those measures, it is deeply disappointing that there has been no further progress. One area where more action is needed is in Parliament's engagement with the public, a point to which I referred earlier. For example, we suggest that citizens initiatives should be introduced: if 100,000 or 250,000 people signed a petition, it should be recognised by the House in some form.

We need to do more to restore trust in this institution. That is why the Conservative party suggests that Parliament should have the power to recall Members between elections. The ultimate power would lie with the electorate; MPs would not be here for the duration of an entire Parliament, but could be kicked out mid-term. We also need to return more control of parliamentary affairs to Parliament itself. That is the larger prize identified in the Wright report, as it would give the House more control of its time and business. That was always the most significant part of the report, but it is the part that the Government, control freakery being deeply ingrained in their very soul, have shied away from. That was mentioned by the hon. Member for Reading, West and by my hon. Friend the Member for Christchurch (Mr. Chope).

I record what my right hon. Friend the shadow Leader of the House said about that big prize. He said:

"We have always said that the Government should find time for debate on Standing Orders so that we can implement the Wright Committee's recommendation and get the Back-Bench Committee up and running at the start of the next Parliament."

It is highly regrettable that, despite regular assurances that it would happen, the Leader of the House has shied away from it. It is telling that she failed to turn up to this debate; at the last minute—late yesterday—it was signalled that she would not be responding to this debate but that her deputy would be here in her stead. Doubtless she did not wish to face her critics.

Martin Salter: Will the hon. Gentleman give way?

Mr. Vara: I would like to, but I have only one minute left and I wish to wind up.

Martin Salter: Will the hon. Gentleman give way?

Mr. Vara: Given that it is the hon. Gentleman's debate, I will give way briefly.

Martin Salter: I am bitterly disappointed that the motion to enforce the Standing Order is not on the Order Paper. The Leader of the House wanted to come to this debate but was called away by the Prime Minister. I am not in any way slighted by that, and I am listening carefully to what the shadow Deputy Leader of the House says.

Mr. Vara: *Hansard* will record the hon. Gentleman's comments. I am a little more enlightened now than I was earlier.

In conclusion, this place needs urgent reform. Although there has been some progress, it is highly regrettable that the Government have failed both Parliament and the public in not stepping up to the mark when required. They have failed to implement the most important part of the Wright report despite the fact that the House wanted them to do so. I hope that the public will make the correct decision on 6 May, and then it will be for others to complete the work of reforming Parliament.

10.50 am

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): It is a pleasure to serve under your chairmanship, Mr. Fraser. I, too, congratulate my hon. Friend the Member for Reading, West (Martin Salter) on securing this debate. I should like to thank other hon. Members for their contributions to what has been a wide-ranging and stimulating debate.

My hon. Friend has been a Member of the House since 1997. At the start of his contribution, he described the 2005-10 Parliament in very strong terms. His description was disturbing, but we all accept the need for profound change to restore the public's faith in Parliament. I hope that the reforms that we have already put in place and the others that will come will do that. The Prime Minister is expected to announce my party's commitment to reform and constitutional change today, and I greatly look forward to that announcement.

My hon. Friend has served in public life for 26 years; he started out as a councillor in Reading borough in 1984, and was deputy council leader from 1987 to 1996. In the House, he has campaigned against violent pornography, championed many causes, such as Gurkha rights, advised the Minister for Sport on shooting and fishing—I guess somebody had to do that—and been a member of both the Modernisation of the House of Commons Committee and the Reform of the House of Commons Committee. My hon. Friend will be pleased to hear that that will be the last time in my reply that I shall mention the Modernisation Committee. He always takes me to task when I refer to the delights of that Committee.

My hon. Friend has championed the cause of the use of the Commons Chamber by the UK Youth Parliament, which I support. I am pleased that the arguments in favour of such a use prevailed. I was astonished by what I heard from the Opposition on the matter, and it took us many occasions to get the measure through. There were some good debates and some very confident performances by members of the Youth Parliament. I hope that the UK Youth Parliament debate can take place again and that the Commons Chamber can be used by other groups. We are considering allowing pensioners to have a Parliament in the Chamber, which would also be appropriate.

My hon. Friend has been speaking up for the trade of politics. Since he has been a Member, he has worked on opening up politics and boosting democracy, which is important. He spoke eloquently about the reform agenda, which was something that he first did in his maiden speech, and I pay tribute to him for his work on that. He was concerned about IPSA's new budget for Members' staff and the fact that pensions have to be paid out of the budget. There is no provision for child care vouchers or for temporary secretarial cover for staff who are on maternity leave or who are sick. Many hon. Members have raised concerns about that, and I will ensure that relevant parts of today's debate are sent to the board of IPSA, because it is important that it understands our concerns. My hon. Friend also touched on IPSA's new rule for travel, which will have an impact on Members of the new Parliament. Perhaps such an issue gives fresh

[Barbara Keeley]

impetus to the idea of this place returning to normal office hours, which would alleviate the problem to some extent, and I hope that we—if other Members and I in the Chamber are returned—can discuss that in future.

Let me talk briefly about the Wright Committee motion, which my hon. Friend raised. Members will know that there is a business motion today. It would not be appropriate to pre-empt the debate; I should not get outside my particular role, as the Speaker constantly says. Members can make their points in that debate, which is only a couple of hours away, and I hope that they will do so.

My hon. Friend touched on the suspension of the communications allowance. He will know that my right hon. Friend the Member for Streatham (Keith Hill) led a debate on the subject in which some very powerful arguments were made. On that occasion, I agreed—and I still do—on the necessity and importance of supporting hon. Members who produced constituency reports. In that debate, some Members expressed concerns about the matter, but this issue of standing up for constituents, which sometimes means taking up unpopular stances and causes, shows that it is a factor not just in incumbency, but in helping Members to do their job.

Briefly, the hon. Member for Christchurch (Mr. Chope) referred to the setting up of a child care facility in the House. I know that that has been a contentious issue, but I applaud the a suggestion by the House of Commons Commission. I cannot believe that Members are questioning such a facility; its establishment is overdue and it brings the House into the 20th century—not even into the 21st century.

Mr. Chope: Will the Minister give way?

Barbara Keeley: No, I do not have time to do so.

The hon. Member for Cambridge (David Howarth) discussed reform and, importantly, what the role of an MP is seen to be. Interestingly, I have looked into the matter for my own party and found, as the hon. Gentleman mentioned, that parties are increasingly selecting Members who have a background in politics or the media. Perhaps I should say to him and the other Opposition parties that they should select more women candidates. I was one of the 2005 intake of women MPs. There were 26 of us out of 40 candidates, so we made history coming into this place. My hon. Friends will know that the 2005 intake of Labour women MPs does not reflect the profile that has been discussed—of people with backgrounds in politics and the media. The solution, therefore, is to select more women. I support the view that politics is something that we should do more of, and that it is wrong for it to be infantilised.

The hon. Member for Cambridge, who was elected on the same day as me—5 May 2005—is standing down at the election. He has served in public life since 1987, having been a councillor and council leader in Cambridge before being elected as an MP. I pay tribute to him and wish him well for the future. My hon. Friend the Member for Reading, West has announced that he will step down at the forthcoming election, so this was his valedictory speech. I should like to congratulate him on his achievements, both in the House and more widely in politics, and wish him well for the future. Looking at one of his blogs last night, I had the impression that we will continue to hear from him. I hope that he will carry on commentating and shaking up politics by telling us how he thinks people in the House are doing. I pay tribute to the work of hon. Members from all parts of the House who will not be standing for re-election at the next general election, including you, Mr. Fraser. I think this is the first time that I have taken part in a debate in which you have been in the Chair, so it is a very brief acquaintanceship, but I wish you well.

As my hon. Friend said earlier of the work that we do: "Someone has to do it, someone has to take responsibility and give voice to the hopes of the people." Hon. Members, including my hon. Friend, have taken that responsibility, made important contributions to the work of Parliament and have represented the hopes and the issues of their constituents. I wish all Members who are standing down well, and say that for those of us who hope to return here, we will take forward the work and the sentiments that have been expressed here today.

Planning Applications

10.59 am

Mr. Oliver Letwin (West Dorset) (Con): May I say, Mr. Fraser, that it is a bittersweet pleasure to speak in this debate under your chairmanship, as it is the first and last time that I will have the opportunity to serve under your chairmanship? I am very sorry that you will be disappearing from the House after the election.

It is very good to have the opportunity to raise this subject, even at the tail-end of this Parliament, because it is a subject of very considerable concern to some of my constituents, as I shall explain in a moment, and because it has wider ramifications. I should give the facts of the particular case that I will talk about, which are extremely simple. West Bexington is a very beautiful stretch of coastline in my constituency. It has a remarkable shingle beach that is a particularly nice part of a world heritage coastline. Behind the beach and the coastal path lie a set of chalets, which are the only things that are visible from many angles on the beach. Those chalets are quite small.

In April 2007, a chalet owner at West Bexington put in an application to enlarge their chalet and alter it. As is normal, that application was accompanied by both factual details and drawings. Unfortunately, the drawings did not bring to light, in a way that enabled either the planning officers or the local people to understand what was going on, the relationship between the size of what was being planned and the adjoining chalets on either side.

The drawings suggested, to the uninformed eye and indeed to the more informed eyes of the planning officers, that the chalet for which the application was being made would not be very far off the same size as the chalets next to it, if the application was permitted. Unfortunately, once the works to the chalet were completed—indeed, I think it was clear even from the point at which the works began—it was obvious to all the local people that the chalet for which the application had been made and for which planning permission had been received in April 2007 was by no means of the same scale as the chalets on either side. In fact, it was much larger and visually quite obtrusive.

That led to very considerable objections locally. People felt that they had not been alerted to what was being proposed and therefore that they had not done what they would otherwise have done, which was to object to the change. They felt that the planning officers had not seen what was on offer, so to speak, and therefore that those planning officers had effectively been misled by the drawings. Consequently, they were outraged. Therefore I received a petition from more than 100 local people—given the size of West Bexington, that is a lot of people.

I then engaged in a considerable amount of correspondence about this application over quite a long period with the Minister's predecessors, as well as with other people, including officials, lawyers and representatives of the district council and the parish council. I have also had a number of meetings with local residents about it. As a result of all that activity, what has come to light is that, under the current planning law, if an application is made and permission for what is applied for is given, the permission that has been given is valid, regardless of the fact that the basis on which the application was made was such as to lead the planning officers and any councillors—if any councillors had been involved in the process—to the wrong conclusions about the scale and nature of what was being proposed.

In other words—to take an extreme example—if I proposed building the Empire State building at West Bexington and I provided a drawing that suggested that it was six feet high and if, by mistake, the planning officers did not look sufficiently closely at the dimensions of the Empire State building and merely looked at the drawing and concluded that I was building something that was 6 feet high and they gave me permission on that basis, then under current English law, as I understand it and as the Minister's predecessors have explained it to me, I would have an undisputed right to build the Empire State building at West Bexington.

I give that ludicrous example simply to point out that there is clearly a problem in this sector of planning. It has visited itself on my constituents in West Bexington in a less exaggerated form than that ludicrous example, but at some other time someone could do something much more exaggerated than the changes proposed at West Bexington and they would still be in the same position of having a valid planning permission on the basis of information that was misleading to the naked eye.

Mr. William Cash (Stone) (Con): I have stayed on for this debate as I am rather interested in this issue, which I think my right hon. Friend is raising in the national interest. As people have sought advice from the various lawyers and others who are involved in this case, I wondered if anyone had mentioned the words "judicial review"?

Mr. Letwin: I am very grateful to my hon. Friend for displaying his usual legal acuity, because it is exactly the question of judicial review to which I now turn. I received responses from Ministers suggesting that judicial review might be the answer in this case. However, I have two questions to ask the Minister about judicial review.

First, why would anyone suppose that the inhabitants of West Bexington, or the inhabitants of any similar village or neighbourhood in Britain, would be able to spend money on a judicial review of a planning decision? Why would anyone suppose that those inhabitants would be willing or able to risk the costs that they might incur in challenging a council that has the taxpayer behind them?

Indeed, is not the whole point of the planning system that it is not in court and that it is a substitute for going to court? If we wanted to have all planning decisions made in court, we would have them all made in court, as some other decisions are made in court. But the point of having planning decisions not made in court is to prevent those types of court costs arising. In fact, at the moment we even have a system of appeals against planning decisions that does not involve courts, so that someone does not have to have very expensive barristers to appeal a planning decision; although people may employ planning barristers at planning appeals, they do not have to have that type of apparatus.

In other words, very considerable efforts have been made to reduce the exposure and liability of those who challenge planning decisions, and clearly if people have to rely on judicial review to contest planning decisions,

[Mr. Letwin]

they would be exposed to very considerable liability, so the first question I ask the Minister is why does she suppose that anyone would be able to mount a judicial review in these circumstances?

My second question for the Minister is even more important, and it relates directly to what my hon. Friend asked about in his intervention. Why would anyone suppose that a judicial review would be an answer to this question? As I understand the matter, the law is quite clear in this area. If someone has planning permission, they have planning permission; it is a sort of piece of property, as I understand it. Therefore, if someone were able to mount a judicial review—that is, they had the funds to do so and they were willing to undertake the liabilities associated with it—the judicial review might rule that the original decision was unreasonable. Incidentally, the judicial review certainly could not rule that the decision was ultra vires, because it is clearly within the powers of a planning authority to grant planning permission. The only thing that a judicial review could do to rule in someone's favour would be to say that the original decision was an unreasonable one.

However, even if a judicial review were to rule that the original decision was unreasonable, is there any indication, or does the Minister have any legal advice to suggest, that the decision by the judicial review would invalidate the planning permission? If the council was shown to have made an unreasonable decision in granting planning permission, that might have other consequences for the council—I do not know what those consequences would be. I am not all sure, however, that under current English law there would be any remedy for those who objected to the planning permission, because it would still be the case, as far as I can make out, that the permission itself was valid and a piece of property on the part of the person who held it.

I want to press the Minister on those two questions. First, why would anyone in her Ministry believe that judicial review is really accessible to people who are in this situation? Secondly, why does anyone in her Ministry believe that judicial review is an adequate remedy in these circumstances? Finally, I want to make a positive suggestion. There is a very straightforward way of solving this problem and I have already raised it with Ministers in correspondence. I am glad to say that my own party has now taken it up and I hope that we might achieve consensus on the suggestion that we change planning law, so that it follows common sense in this respect.

I think that it is a matter of common sense that if someone applies for something on the basis of information that an ordinary and reasonable person, including an ordinary, reasonable and expert person such as a planning officer, is misled by, any permission that that person might obtain should not be valid. It would not be an enormous change in planning law—it is certainly not as large as some other changes in planning law that I think we need to make—to arrange things so that if I make an application on the basis of drawings or other information that cannot be understood for what they are, even by professionals, then my application, if I obtain it, is invalid.

That would be a small but useful change. It would put the onus on the person making the application to go the extra mile to ensure that their accompanying drawings and other information adequately illustrated what the thing would look like in relation to things around it. The applicant would be worried that it might otherwise be alleged that their application had been in some way misleading. If they knew that the application would not be valid if it were judged that the information accompanying it had been misleading, they would want to go that extra mile to ensure that it was not misleading. Surely it would be better to build that incentive into the system.

I believe that there is a general principle in our law, constitution and political practices that if something has gone wrong, there should be a remedy. Many of my constituents in West Bexington, as well as objecting to what happened and to the state of the law, object on the grounds of unfairness because they feel that there is no remedy. I hope that the Minister is willing to acknowledge that there is a need to ensure that there is a remedy in such circumstances, that at present a remedy is not available, and that that is bound to generate a sense of unfairness of the kind that my constituents, many of whom live in West Bexington, feel.

Christopher Fraser (in the Chair): Mr. Bill Cash would like to make a contribution. I have cleared it with the Minister, if you are happy, Mr. Letwin.

Mr. Letwin: Of course.

11.11 am

Mr. William Cash (Stone) (Con): I am most grateful, Mr. Fraser. I had not intended to speak in this debate, but the subject matter is of enormous interest to many people throughout the country and, indeed, in my constituency. I am grateful to my right hon. Friend the Member for West Dorset (Mr. Letwin) for securing this debate, and I look forward with interest to what the Minister has to say.

My right hon. Friend ended his remarks by saying that this House and Parliament are here for the purposes of remedy and clarification. I asked him in an intervention whether anyone had raised the issue of judicial review, and they clearly have. I am still somewhat fascinated—I await the Minister's reply—by why, in this case, if indeed the application and the information that had been provided to the planning officers and the council were misleading, and leaving aside the question of costs, to which I shall refer later, it was deemed that an application for a judicial review somehow would not have succeeded.

I would have thought that there were ample grounds for quashing an application on judicial review, and that, by definition and as a result of that, the original planning permission would be deemed invalid. There are great experts on all this, and my right hon. Friend may well have taken the most expert advice from people who would disagree with me. I have some difficulty in understanding the matter, but we shall see—perhaps the Minister can explain it.

However, I want to deal with a broader political question that arises in the context of planning applications. Having practised in this field—on a far more reduced basis in the past 26 years, for obvious reasons—I have in the past raised the issue of costs. My right hon. Friend was right in suggesting that, in matters of this kind, a small amenity group or people who are trying to protect themselves from some utterly horrific monstrosity that

is about to be deposited on their doorstep should have the right to go through appropriate legal procedures; otherwise, the law is an ass or, at any rate, an extremely ineffective donkey.

I therefore proposed way back in the days of—dare I say it?—Margaret Thatcher that there ought to be an arrangement, if there are sufficient grounds in the public interest, for persons to oppose the almighty coffers of a massive company, a public authority or whatever. On a certificate of public interest—an application to a judge that there is sufficient national/public interest—a proper analysis could be made which could come only from the kind of judicial expertise in chambers such as Harcourt and Landmark. There are distinguished chambers that deal in such matters, and their people tend to be the ones who end up in the House of Lords.

Where there is a matter of principle and a degree of unfairness on the scale that my right hon. Friend the Member for West Dorset has described, a certificate of public interest warranting the use of legal aid for the amenity group would seem to be a solution of a kind. It does not deal entirely with whether the law should be clarified, which would be the best way of tackling the matter, but it would deal with circumstances in which it was impossible, simply by producing another line of legislation, to alter the fact that there is an issue of public interest about whether something was misleading in a matter of law. A certificate of public interest would be one way of dealing with the matter because, ultimately, everyone would be affected by the outcome.

I merely offer that suggestion, and I would be grateful if the Minister addressed her mind to it as well. I am not in favour of massive amounts of unnecessary legal aid. However, if there is a massive amount of financial artillery on the side of the public authority, which, after all, is paid for by the taxpayer, or on the side of some monumental company that can bulldoze its way through, the people who have a right, in the national interest, to raise a serious question of law and of fact should have the right to apply for some assistance with funds because it would be in the public interest for them to do so.

11.17 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Barbara Follett): It is a pleasure to serve under your chairmanship, Mr. Fraser, for the first time and, I fear, possibly the last time, as you and I will both be leaving the House in a few days' time.

I thank and congratulate the right hon. Member for West Dorset (Mr. Letwin) on securing this debate on a matter that is of such importance to his constituents and to my Department. I shall attempt to address the questions that he and the hon. Member for Stone (Mr. Cash) have asked, but, as this is not my area of expertise, I may at some stage have to get the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Dudley, North (Mr. Austin), to fill in the gaps that are left by my answer.

As the right hon. Gentleman and the hon. Gentleman know, the Government have been working for some time to facilitate and encourage an effective and efficient planning application process. I am sorry to hear that in West Dorset it appears not to have worked in the way that we would have liked. The problem is that the devil is in the detail, as the constituents of the right hon. Member for West Dorset have discovered, and individual actions on the part of the applicant and the people who receive the application are crucial. In other words, they can make the difference between extending a chalet in a reasonable fashion or building a replica of the Empire State building on a beach in an obviously inappropriate fashion.

The Government set the framework and make clear their expectations, but, in the end, it is the behaviour of those who engage in the process that determines whether the system will work well. When the system does not work, there are various kinds of redress, but let me look quickly at the information that is required.

We have tried to be clear about the information that is required to minimise unnecessary information and give local authorities the flexibility to set their own information requirements because, obviously, each area has different requirements. Our aim is that all users of the system find it straightforward, and feel that they have been treated fairly, whatever the outcome. With the chalet extension, there appears to have been multiple layers of problems. Because of the quasi-judicial nature of the planning process, I will not comment on the individual case, but in all cases we would like people to feel that they had got what they wanted, in general, and that they had the right of redress.

A valid application is one that meets the statutory requirements, and it is in the applicant's interest to provide both sufficient detail for the scheme to be fully understood by the planning officer, and sufficiently high-quality information for the officer to be assured of the type and quality of the proposed development. Applicants are expected to act honestly. If a factual error is found in any of the submitted documents, it is up to the local planning authority to decide whether that materially affects the proposed scheme or its anticipated impacts. If the authority considers that it does, it is within its rights to refuse the application or to ask the applicant to provide supplementary information. If the local planning authority identifies the error before the application has been validated or determined, it can refuse to validate or determine it until the correct information has been supplied.

If, however, the error is undetected and the planning application is subsequently approved, the planning permission will, as the hon. Member for Stone said, be at risk of a challenge by way of judicial review from anyone with sufficient interest in the decision. The right hon. Member for West Dorset pointed out that that sufficient interest has both resource and time costs, and he suggested a way forward that might solve the problem. All of us in this House are well aware of the cliff facing us. Once we come through the other side of that cliff, it will be up to the party in power—the Government of the time—to consider that suggestion. If the right hon. Gentleman's party is in power, the suggestion will obviously be considered. We also will look at it, in the spirit of trying to ensure that people get what they want out of the system. As the hon. Member for Stone said, the people pay for it, after all, and it should therefore not be something that is set up against them, but that works with them.

Mr. Cash: The Minister suggests that in the public interest she will seriously consider my point, to ensure a degree of equality and responsibility in the system—the

[Mr. Cash]

Equality Bill has just gone through Parliament. People affected, such as the constituents of my right hon. Friend the Member for West Dorset and others in the country, would at least then know that they were not just abandoned to the monopolistic money that is available to the great engines of enterprise and to public authorities.

Barbara Follett: It is important that the Government are seen to act on behalf of the people that we all represent, but I cannot commit a future Government of any kind to considering the matter. I do, however, understand the hon. Gentleman's point.

If, once planning permission has been granted, the subsequent development is not in accordance with the application and the permission, the local planning authority can use the available discretionary enforcement powers to rectify the situation. I do not know if that has happened in this case, and I do not wish to get too far into the details, but if the right hon. Gentleman wishes, he may intervene.

Mr. Letwin: I can understand why the Minister does not want to dwell on this particular case, but the issue that it raises is that the building, at least in the referred respect, conformed to the permission; the problem lies in the basis upon which that permission was given.

Barbara Follett: This is a very difficult situation, and once again I am going to move away from the particular and go to the general, not to evade the issue but simply because of the need for Chinese walls. A local planning authority cannot unilaterally withdraw a permission that has been granted. It does, however, have the power to revoke or modify a permission, if that is considered expedient. That action is subject to certain limitations, and requires the authority to pay compensation, which could in this, and in any other case, cause it problems.

If a third party feels that it has cause for complaint about how a local planning authority has handled an application, a concern in relation to the conduct of members of the local authority can be directed—as I am sure both Members know—to the Standards Board for England, the district auditor or the local government ombudsman.

Mr. Letwin: Again, I know that the Minister does not want to dwell on this particular case but, to illustrate the general point, I point out that there has indeed been an application to the local government ombudsman. The general problem lies in the fact that it is not at all clear whether whatever ruling the local government ombudsman might eventually give, in any case, would have any effect on the validity of the planning permission. We are, therefore, back to another process that does not seem to solve the problem.

Barbara Follett: I thank the right hon. Gentleman for that intervention. It is now even more difficult for me to comment on the case because it is going through the complaints procedure, the outcome of which we will have to await. I know that if the right hon. Gentleman is returned to this House, he will continue to pursue the matter.

It is vital that applications for planning permission are accompanied by sufficient information for the local planning authority, third parties and all others to be clear about what is proposed, and the likely impacts. To ensure that that happens, local authorities provide lists of local information requirements for planning applications, which are intended to provide certainty about the type of information required, and to ensure that that requirement is proportionate to the type and scale of the application. I realise that in this case something has gone wrong in the process. The case is, however, going through the complaints procedure, and I regret that I cannot comment any further on the matter that the right hon. Gentleman has brought to this House on behalf of his constituents.

11.30 am

Sitting suspended.

Transport (North West)

[MR. GEORGE HOWARTH *in the Chair*]

2.30 pm

Mr. George Howarth (in the Chair): According to the timetable motion, there could be Divisions on an hourly basis. Each of the three debates this afternoon will be given its full allotted time, regardless of any Divisions.

Mr. Lindsay Hoyle (Chorley) (Lab): It is a delight to see you in the Chair, Mr. Howarth. You have a justified interest in this debate as a north-west Member. It is always good to have the opportunity to discuss our great region, especially its transport links. This debate will be a journey round the north-west and down its links to other parts of the country.

Last week, there was a debate on the wonderful high-speed rail link to which the Government are committed. I tell the Minister that we welcome that link, but we do not like the low-speed build that the north-west faces. When the east and west of America were joined by the railways, construction did not start at one end and end up at the other, but started at both ends and met in the middle. Starting with the UK's third city of Birmingham instead of its second city of Manchester is a disaster. We need to link the great cities of Liverpool, Manchester and Preston. I would like construction to start in the north-west and the south and meet at Birmingham in the middle.

I would welcome that, because it would provide much-needed construction jobs in the north-west. It would not only benefit our transport communications, but it would provide vital construction and engineering skills. The high-speed link with the low-speed build can be changed. The challenge is to build from both ends and provide construction jobs. It is strange that London will have the benefit of the construction for the Olympics and Crossrail. Many jobs could be created in the north-west by the high-speed rail link.

There must also be electrification of the triangle of the three cities of Liverpool, Preston and Manchester, as that would ensure that our region not only contains the second city in the UK, but rightly becomes the most influential region. Every economic indicator tells us that the link should go to the north-west first and benefit the north-west. The route must then go on to link the major cities of Europe with the north-west. I welcome the high-speed rail link, but I would like to see some manoeuvring so that it is recognised that the north-west should not be put at a disadvantage. The north-west is the engine room of the economy, and we cannot afford to fail it. If we are serious about ensuring that we come out of recession and do not have recessions in the future, we need skills and transport links.

I was pleased when the Government recognised the importance of the Blackpool to Manchester line, as electrification is greatly needed. That line is a misery for commuters because it is over-crowded and the rolling stock needs to be extended. With electrification, the trains will not only be faster, but greener. It will also bring the benefit of linking Blackpool, Preston, Manchester and Bolton in the middle. Within that hub is Chorley and we must not forget its importance and relevance. It is well placed logistically at the centre of the three cities and can offer great benefits.

I am pleased that there is good cross-party turnout for this debate. I look to the shadow Minister, the hon. Member for Scarborough and Whitby (Mr. Goodwill), to confirm that if the Conservatives win the election and form the next Government, they will support the electrification and place as much importance on it as this Government.

Mr. Robert Goodwill (Scarborough and Whitby) (Con) *rose—*

Mr. Hoyle: I am happy to give way to the hon. Gentleman if he wishes to put that on the record. I know that he is an honourable man and I am sure that he can be tempted to do so.

Mr. Goodwill: I thank the hon. Gentleman for tempting me to expand on that matter. There is a section in my speech on electrification, but I am sure that Mr. Howarth would think it too long to read now. I promise the hon. Gentleman that I will refer to electrification in my winding-up speech.

Mr. Hoyle: I welcome that. I hope that the hon. Gentleman will distance himself from the shadow Secretary of State for Transport, the hon. Member for Chipping Barnet (Mrs. Villiers), who, I understand, in an interview for a railway magazine, could not commit to the electrification. That was a major disappointment for people between Blackpool and Manchester, as a huge population relies on those trains. I hope that the hon. Gentleman will put right that wrong, and I look forward to him doing so.

On jobs, it is unacceptable that Jarvis is laying people off when we should be investing in the railways, as they have a great future in this country. I am disappointed with Jarvis, and many hon. Members have rightly signed up to the early-day motions that have been tabled on that matter. However, I want to dwell not on that, but on transport. The other great link to the north-west is the M6, which is important to us. Some people say that they do not want the M6 to be widened, but I tell the doubters that we have the stupid situation of having the four lanes at Warrington going down to three lanes and then back up to four north of Chorley. That bottleneck is not good for the environment because queues develop. There is nothing worse than standing traffic with the engines running. That happens because there has not been investment between south Preston and Warrington. I say to the Minister that it should be a priority to put that right. I know he is taking that on board and that he will consider it seriously because it will make a difference. The problem of exhaust fumes in the Chorley area is caused by slow and standing traffic. We could improve the lives of the people who live near the motorway, so it is important that we try to stop the bottleneck and the traffic jams.

Along with the widening, Chorley would welcome a link to the M6. Chorley has a population of more than 100,000 people and there is no doubt that it plays a major role in the economy. It is the 34th richest constituency based on disposable income. However, more than 50 per cent. of the working population travel out of Chorley to work so there must be good transport communications. That is why it is so important that electrification, environmentally friendly trains and the M6 link all come together.

[Mr. Hoyle]

Of course, there has been good news in Chorley, as we have the wonderful new railway station. Chorley used to be dominated by a great organisation called the Royal Ordnance factory. At its height, more than 35,000 people worked there. The casing for Barnes Wallace's bouncing bomb was made there. The factory has fought its way and played its part through all of the wars up to the beginning of the Afghanistan war, but it no longer exists. It is good that we no longer need big armaments factories, but there was a dividend to be paid—a huge brownfield site that had to be decontaminated. We now have about 800 to 900 acres of brownfield land, which is the biggest single piece of land available for redevelopment in Europe. We are redeveloping it, which is wonderful. However, it was said at the time that it must have a railway station, but that still has not been built. As part of the section 106 agreement, Chorley borough council got about £3.5 million and stuck it in the bank. However, it sat on the money for too long instead of spending it and the cost of the station went up.

Chorley borough council ended up with a shortfall of £3.5 million. It took a Labour Minister to listen—I was knocking on his door and chasing Ministers around—and make up the difference of £3.5 million. I thank the Minister for the fact it is a Labour Government who have ensured that the railway station goes ahead. The only thing I would say is that the money is in the bank, but the spade is still not in the ground. I want to know why Network Rail has not started, because the money is there. We do not want to be in this stupid situation, where we have the £7 million but by the time we get around to constructing the station the cost has gone up to £8 million. I ask the Minister to put pressure on Network Rail and make the railway station happen now, not later.

Chorley borough has played a crafty one. While I was banging on to the Minister to give us £3.5 million, another chunk of Royal Ordnance land came along and Chorley borough got section 106 money—£3.5 million for transport. Of course, it does not need that for the railway station, because the Government are paying for it. I say to the Minister that it is important to consider that there is £3.5 million extra in Chorley's coffers. Chorley is not a transport authority; it is a borough council. I am not sure what it is going to do with the £3.5 million that it is sitting on, but I know that as part of the 106 agreement, they have that money.

Perhaps we ought to hand the money over to the county, which is the transport authority, because it could make a real difference. That £3.5 million could be spent on bus services, such as the 124 between Chorley and Blackburn. That bus no longer uses its old route, because unfortunately the subsidies have gone, but we have £3.5 million that we can put into subsidising the routes and buses in Chorley. I urge the Minister to pressurise Chorley borough to deliver a transport service that is second to none. With £3.5 million in the bank for transport, we can make a real difference to the people of Chorley. That is what we need to be doing.

Of course, it is fantastic that people in Chorley have benefited from the freedom pass, and that pensioners can go out on the buses for free. However, we should extend the pass to trains. Perhaps we ought to run a pilot scheme. There is £3.5 million in the tiny district authority account waiting to be spent, so perhaps we ought to trial a young people's freedom pass. If we could give the schoolchildren and teenagers of Chorley the freedom pass, it would make a real difference. We should consider that challenge, because it would mean that young people in Chorley would benefit, just like young people in London, so it is a good idea. Using the £3.5 million in such a way would make a difference, and if people have a freedom pass when they are at school or college, it will get them into the habit of using public transport. We cannot force people to use public transport; we have to make public transport attractive, and my proposal is a way of doing so.

Mr. Goodwill: Has the hon. Gentleman had a chance to see the scheme in operation in Kent, which was brought in by Conservative-controlled Kent county council? It established a young people's freedom pass and it is working very well indeed. That could be the model for other local authorities up and down the country.

Mr. Hoyle: Absolutely. In Chorley, such a scheme would not cost the Government or council tax payers a penny, because the money is there as a result of the section 106 agreement. We could trial the scheme without any cost, then we could say, "Has it been good or has it been bad?" I suspect that everyone would say such a scheme was good, and we could then begin to roll out a programme. We have a real opportunity to test such a scheme.

The issue is about those trains; it is about Buckshaw village; and it is about the railway station and electrification. There were some listed arches—called the flying arches—between Chorley and Euxton, which were taken down by Network Rail, and stored up at Garstang. Network Rail keeps saying to us, "Don't worry, we're going to put them back." I have to tell the Minister that they have not reappeared. I am highly suspicious that Network Rail is hoping that people will forget. The arches are listed, and I wonder if the Minister can get Network Rail to ensure that it takes up the agreement, which was that the arches would be replaced once the work had been carried out. The work has been done, but the arches have not returned, so if the Minister could consider the matter, it would be useful.

On the frequency of train services, as time goes on, more and more people commute from my wonderful village of Adlington—it is just outside Chorley and there is a wonderful railway station. We used to be able to get on the train and go direct to Manchester Piccadilly, but all that has changed. Network Rail has suddenly decided that the train gets too overcrowded before it reaches Bolton. It seems to me that if the train is too overcrowded before it gets to Bolton, more carriages and trains should be put on. Network Rail does not agree. It has said that trains will not stop at Adlington station any more, so that some capacity will be left when they get to Bolton. That is not the answer; we are deluding ourselves. People in Adlington have decided to drive up the line and park on the park-and-ride.

Network Rail's response does not make sense environmentally, and it does not achieve the objective. If it is struggling with capacity, provision should be extended, but that has not happened. Network Rail is still failing the people of Adlington and the railway station there. I hope the Minister will take the matter

up, ask Network Rail to reconsider its decision, and make sure that we return to having the same number of trains to Piccadilly that we used to. People do not want to change trains at Bolton, and doing so offers no advantage because it simply leads to crowding at Bolton. I would be really happy if the Minister looked into that issue.

I also wish to raise the Preston to Southport line and the benefits of it being single track. Part of my constituency that I am unfortunately losing is at the Croston end of that line. We need major investment in that single-track line and we must ensure that it has a strong future. We need to put the beneficial extra curve into that line. If the Minister looked at that, I would be grateful. As I said, I will lose that part of the constituency, but I do not believe that we should give up the argument of ensuring that the track is developed.

I do not know whether this is the case in other constituencies, but in a town such a Chorley, which is a growth area and, logistically, a great place where people want to live and commute from, huge estates have been built by developers, but unfortunately the roads have not been adopted. It suits the developers not to finish such roads properly and the local authority will not take over the roads because they are not up to standard. The problem is that the people who live on such roads pay full council tax, but receive absolutely no benefits. They are living on roads that are not up to standard, and thousands of households in Chorley suffer as a result of living on unadopted roads. We need to pressurise developers to ensure that those roads, bus shelters and litter bins—everything that goes with adoptions—are of the appropriate standard. I hope that we can do something for those people who pay full council tax and receive no benefits. If the road is flooded, nobody wants to know. If the road is iced over and needs salting, nobody will grit it because it is not the responsibility of the Highways Agency.

Mr. John Leech (Manchester, Withington) (LD): Does the hon. Gentleman not agree that local councils should insist as a condition of the development going ahead that the roads are brought up to adoptable standards, so that the borough council will adopt them?

Mr. Hoyle: Of course. That is what was agreed in the beginning, but it never quite happens. At one time, a bond had to be put up. However, these days, I understand that people do not bother with a bond; they have a licence and other things. The developers build the houses and put in a basic road, but the road needs a finished surface, which never gets done. In addition, the manholes are often raised, but not finished.

Developers are on their uppers at the moment, so not bringing the roads up to full adoptive standards is a way for them to avoid spending money. It is right that an adopted road is not put in before the houses are built, because when heavy traffic is put down the road, it churns it up. The developers put in roads that are not of a complete standard, which should come when the estate is finished. The best way of ensuring that that is the case is to have a bond, so that if the developers fail to finish the roads, the local authority can do it through a bond. The answer might be for local authorities to use the bond system and say, "You aren't doing it. We've got the money; we will finish it off." We need to ensure the local authority has enough money to do so. The incentive would then be for the developers to ensure that the road is of an adoptable standard.

The same issue arises in relation to bus shelters. No one takes responsibility for the bus shelters—sometimes they are broken, smashed up, sprayed or vandalised. If the roads are not looked after, the same problem quickly spirals to a new area. That is why it is important to ensure that roads and footpaths are adopted at an early stage. I would appreciate the Minister's help in ensuring that that happens. Hon. Members from the north-west who are here will rightly want to put their case in relation to that. As I said, when we look back, we can see that the Government have done much for transport, and much has been envisaged for the future. I want to see the high-speed rail link and electrification, and I want to see young people's bus passes trialled.

Derek Twigg (Halton) (Lab): I congratulate my hon. Friend on being a great champion for transport in the north-west and in his constituency. He mentioned the future and jobs. Is not one of the key schemes in the north-west, and one that would also be affected by the M6, the proposed Mersey gateway bridge, because the capacity of the current bridge has been far exceeded, leading to congestion? Furthermore, its building would lead to hundreds of construction jobs, and 5,000 to 6,000 jobs would be created for economic benefit. Is not that also the sort of scheme we want to see in the north-west?

Mr. Hoyle: I totally agree, because we could all benefit from that. Such a major bridge would lead to many construction jobs, as my hon. Friend has said. The building work and the steel needed for such a bridge would all lead to good, valuable jobs. The best way to come out of a recession is to have a thriving construction industry, so of course I back that proposal. The opening up of the Mersey gateway is important to us. Anyone who has been on the old Widnes bridge will know what a problem crossing it can be. It is a beautiful bridge, of course, but that is not the answer—we need a second crossing. It is about the north-west, but it is not about being parochial. Chorley is the centre of the north-west, but I recognise that people from other areas could take advantage of that proposal.

With regard to Network Rail, we have a serious problem at Rylands crossing—a level crossing with an unmanned gate where people walk across the line. There have been fatalities at that crossing and serious injuries. The link between the east of Chorley and the town centre where people cross the railway line is crucial, but we must put safety first, as it is important to us. Network Rail is committed to building a footbridge over the crossing. Can the Minister assure us that he will chase that up on our behalf, because it is crucial that the footbridge goes ahead? That would make a real difference for trains, as it would save them having to slow down, sound the horn and do everything they must do when approaching the crossing. That would make a real difference for people who live on the east side of Chorley when they travel into the town centre. Overall, I say well done to the Minister, but we can do more and need the return of the Government to do it.

2.51 pm

Mr. John Grogan (Selby) (Lab): Mr. Howarth, you might well ask why a proud Yorkshireman such as

[Mr. John Grogan]

myself—I look forward to the clashes in June between Yorkshire and Lancashire at the cricket ground in Headingly and intend to be there—is contributing to a debate on transport in the north-west. I will not try the patience of Members for long because I know that several wish to speak, but I want to contribute for some of the reasons indicated by my hon. Friend the Member for Chorley (Mr. Hoyle), whom I congratulate on securing the debate and on introducing it with his usual passion and verve. Transport links in the north-west are important not only to the north-west, but to the whole of the north of England. I intend to refer briefly to two matters where that is certainly true: the trans-Pennine rail link and Jarvis Rail's maintenance work, which is so important across the north of England.

I have a particular regard for Stalybridge railway station, which has a magnificent pub on the platform. At one stage in my life, when I was working in Wolverhampton during the week and returning to Yorkshire on a Friday, my weekend began when I arrived at Stalybridge and its magnificent pub. It is one of only a few such pubs on railway station platforms in England—Huddersfield station has another, I think. The trans-Pennine link is so important, and I praise the current operator First Trans Pennine, which has definitely improved the service enormously. The line's punctuality figures are among the best in the country, even though they were among the worst when the operator took on the franchise. There has also been investment in the rolling stock.

Whatever party forms the next Government, real consideration should be given to extending that franchise, which I understand is a possibility under its terms. That would lead to certainty on the line, and I think that the operator has done broadly a good job. Incidentally, we are probably looking at having high-speed rail in the future, so I hope that we will not abandon the ambition of high-speed rail across the Pennines.

Mr. Hoyle: I welcome that, because if we start construction from Manchester to the south, there is nothing to stop the construction team going to the east at the same time. Does my hon. Friend agree?

Mr. Grogan: I agree entirely. I also think that in the shorter term we need to look at track configuration and investment in the track around Manchester, because there is a need for investment. Some of the track is not up to the best standards, and that really clogs up the whole of the north of England. Investment is needed in Manchester in particular to improve the efficiency of the train network there.

Incidentally, I also think that Manchester airport is a beacon in the north's economy and that it is important not only to the north-west, but to Yorkshire. It is ridiculous that there are no rail links to Manchester airport on Boxing day, its busiest day of the year. Many airports in the south of England, such as Gatwick, Heathrow and Stansted, are all linked by train on Boxing day. The next time the trans-Pennine franchise is up for renewal, I hope that it is specified that services should be provided on that line, which is so important for the economy of the whole of the north of England, at least 364 days a year and on Boxing day. Direct links from Manchester airport to Selby, my constituency, have been cut, and I hope that they can be restored at some stage, perhaps the next time the trans-Pennine franchise is negotiated. There are proposals for an open-access operator to compete with the franchise operator on trans-Pennine links. That might be a good thing. It has certainly helped with the east coast main line.

The other matter I wanted to discuss is Jarvis Rail, and it affects both the north-west and Yorkshire. I got the job figures from the administrator, Deloitte, earlier today. In the north-west, 63 jobs have been lost in Manchester and 10 have been lost in Liverpool. In Yorkshire, on the other side of the Pennines, 302 jobs have been lost in Doncaster, 62 have been lost in Leeds and 213 have been lost in York. I am not sure that the response of either the Ministers or Network Rail to the crisis for Jarvis and for all of those whose jobs have been affected has been up to scratch.

Ministers could have invoked the powers of the Railways Act 1993 and set up a railway administration order. That would not have prevented Jarvis from disappearing, but it would have meant that the contracts had to be funded by the Department for Transport or Network Rail. It would have meant that the appointed railway administrator had to keep the contracts intact and that people would have been paid last week over the Easter holidays. The railway administrator would then have had to sell on the contracts in an orderly way. That was envisaged under the terms of the 1993 Act, so I am not sure why it was not called upon last week. The whole of Jarvis, including Jarvis Rail, is now in administration, so we are where we are, as they say.

I sought advice from the Under-Secretary of State for Transport, my hon. Friend the Member for Ipswich (Chris Mole). He told me that that is in the hands of Network Rail, which is now responsible for deciding what happens to the important maintenance contracts Jarvis was undertaking. He suggested that I contact Network Rail and seek a meeting. I did so and received a reply from Iain Coucher, who, incidentally, is paid £555,000 a year plus a £250,000 bonus. He said he was not prepared for Network Rail to meet me and possibly MPs from the north-west. He had taken legal advice and was not prepared to do that, although I had been advised to go to his office by the Minister. It is disgraceful. He has a responsibility to the whole rail industry and there are many constituents in the north-west who have been made redundant and who are eager to learn what will happen to Jarvis's contracts and whether there is any possibility that they will get work in the future.

Many constituents have rung my office and asked whether the railways are safe now that Jarvis has gone into liquidation and what is happening to the maintenance work it was doing as part of its contracts. Those are questions that Network Rail should be prepared to discuss with elected representatives. Incidentally, Mr. Coucher—£555,000 a year and a £250,000 bonus—last week refused me a meeting on the station car park at Selby, which we want to be developed, not least so that more people can go to Manchester airport on the trans-Pennine rail link.

In my 13 years as an MP, I have never encountered such an arrogant attitude from an organisation. The spokesman from Network Rail said that it was not a public organisation, as if that was an excuse. An organisation that exhibited capitalism red in tooth and claw would not decline a meeting with an MP.

I very much hope that in the next Parliament MPs from the north-west, Yorkshire and across the north can make Network Rail a little more accountable for the money that it spends on our behalf. I hope that even at this late stage—Parliament will not be dissolved until Monday—the Minister, powerful man that he is, can perhaps get Network Rail at least to speak to concerned MPs about the future of the rail contracts that were lost last week, which were important to the north-west and Yorkshire.

3 pm

Graham Stringer (Manchester, Blackley) (Lab): The great transport revolutions in this country happened in the north-west. The first canal, the Bridgewater canal, was built in the region. Incidentally, the last major canal built in this country, the Manchester ship canal, was built there too. The first passenger railway station was built between the cities of Manchester and Liverpool in the early 1830s. Most people have forgotten, but the first part of the motorway system was the Preston bypass, which was built in the region. The rest of the motorway system came out of it.

The Secretary of State for Transport has said that high-speed rail is part of a new revolution. It is certainly a change in the order of magnitude in terms of transport, but it is not starting in the north of England. It is starting in the south, and I want to examine some of the reasons for that and explain why I think that it should not be happening.

I congratulate my hon. Friend the Member for Chorley (Mr. Hoyle) on bringing this important matter before the House. He has been a distinguished MP for Chorley. One only has to listen to his speech to know how deeply he has the interests of his constituents at heart, and how much he understands the area that he represents.

If one looks at the expenditure figures per head of population for the north-west, the north of England, Yorkshire or, in this case, for the slightly wider area covered by passenger transport executives, which includes even the west midlands—I shall use those figures because they make the case more powerfully—one sees that the ratio of expenditure per head of population is £836 for London and the south-east and £269 for the PTE areas. Those figures are from the Passenger Transport Executive Group. Not only are they wide apart, but they are getting wider apart. The rate of expenditure growth in the south is about twice what it is in the regions, and one gets an even greater ratio when comparing London and the south-east with, for instance, Yorkshire. As a member of the Transport Committee, I have for many years been asking for a justification of that, but there is not one, as far as I can see. I have the greatest respect for my right hon. Friend the Minister and others, but they have never adequately explained to the Committee why that has happened.

The Select Committee has just done a report—I assume it is a coincidence that we got a reply in our pigeonholes today—on "Priorities for investment in the railways". We took a tangential look at the situation. One of our conclusions states:

"Too often, however, the Government prioritises its spending on rail projects based on current and forecast demand, which has contributed to a disproportionate increase in the ratio of investment into London compared to the regions."

That is supported by the figures that I just gave.

The response to that point is long, for a Government response. They have never really had a reason for doing what they are doing, so they waffle a bit about wider implications. Our conclusion states that if they carry on following demand, they will fuel it and will always put investment in the south-east while ignoring other social and economic impacts in their assessments. Part of the Government response states:

"While this advice"

about those wider implications—

"is not mandatory because it is still being refined and a method for applying the advice being developed by taking outputs from the appropriate transport model, it has been used in the case of several major projects including HS2"

that is, High Speed 2.

That is not satisfactory. If we continue to use models of demand, all the money will go to the south-east, and that will carry on, in effect subsidising congestion. If more money is put in, more people will go to the south-east, so greater demand will be projected, so more money will go to the south-east. That is not acceptable.

Given that we have Thameslink, Crossrail, the investment in transport for the Olympics and the mess that the public-private partnership for the tube is in—billions and billions of pounds are going into the tube system—I think that high-speed rail should start in the north of England for some of the reasons that my hon. Friends the Members for Chorley and for Selby (Mr. Grogan) gave. It could easily start with a link between Manchester and Leeds to give a crossing time over the Pennines of a matter of minutes, and then, like the motorway, railway and canal systems, it could move southwards. If this or any other Government are serious about dealing with economic priorities, they have to change the way in which they assess and invest in major infrastructure projects, and look at social and economic benefits, and the economies of the regions, which are underutilised.

I respect my right hon. Friend the Minister, and I think that the ministerial team that the current Secretary of State has put around him since he has been in power offers a breath of fresh air. It has been a peculiar delight and pleasure to see officials and Ministers coming along to the Select Committee and saying exactly the opposite on investment in the high-speed rail system to what they had been saying for the previous 11 or 12 years, when they poured cold water on it. In cahoots with the Treasury, they initiated the Eddington report, which said that we did not need high-speed links, and that the network was good enough. It is a Treasury view, is it not, that everything will be fine if we just widen a few pinch points in the network. It will not be fine. We need serious investment in the infrastructure.

As far as I am concerned, my right hon. Friend the Minister and the transport team have killed off Eddington, and I hope that they have educated some of the officials in the Department who have been giving such appalling advice. Having listened to them give advice against high-speed rail over the years, I thought that if they had been around in 1820, they would have been telling us what a jolly good thing the stagecoach was, and that those newfangled railways would never catch on. The advice on high-speed rail was of that ilk.

Mr. Goodwill: Will the hon. Gentleman give way?

Graham Stringer: Is the Conservative party in favour of stagecoaches?

Mr. Goodwill: I will not be tempted. Does the hon. Gentleman think that the new Secretary of State's change of tack on high-speed rail had anything at all to do with the announcement by the shadow Secretary of State, my hon. Friend the Member for Chipping Barnet (Mrs. Villiers), at the Conservative party conference two years ago that we were backing high-speed rail, not only to Birmingham, but to Manchester and Leeds?

Graham Stringer: I am pleased that the Conservatives and, for that matter, the Liberal Democrats support high-speed rail, but, to answer the question directly, no, I do not. If people look back at what the Secretary of State has said, they will see that he has been a long-term supporter of high-speed rail. He has a clear case to make—a much clearer and better case than the Conservative case, which came about simply because that party needed an answer to a question put to the Conservative candidate for Mayor of London. In order to win an election—we all want to do that, so I understand him—he said that he was against the third runway at Heathrow airport, but there had to be an answer to the question, "What will you do?" The answer was high-speed rail, but, having announced it, the Conservatives are a bit confused about where they want it to go, how it will be funded and whether they will support it. The Conservatives came to their view to win the mayoralty in London, whereas the Secretary of State based his conclusions on a clear analysis of what the country needs, which is being linked to the continental high-speed system.

I want to mention two or three other things, such as the Manchester hub—now called the northern hub—and the pinch points in that system. Part of the case for high-speed rail is linking the great economic generators, the great cities of this country: Birmingham, Leeds, Newcastle, Manchester and eventually Liverpool, Hull, Glasgow and Edinburgh. We should get the investment—it is a shame not to have had it earlier—to take out the pinch points and to create the Manchester hub but, even if we do, the journey time predicted by Network Rail between Manchester and Leeds is 43 minutes. My hon. Friend the Member for Selby might have a better recollection of the distance between Manchester and Leeds, but I guess about 40 miles—only averaging 60 mph. In 2010—when completed, in 2018 or 2019 possibly—we should have better connections than that on routes dedicated to just one form of transport. The issue of pinch points, therefore, is dealt with by the Manchester hub, which ought to be prioritised by the Network Rail capital programme period between 2014 and 2019, as the Select Committee recommended. I understand that Network Rail is doing feasibility work, and I hope that, on conclusion in 12 months, it and the Government will support that investment.

The other way of dealing with capacity, as my hon. Friend the Member for Chorley said when talking about Adlington station, is to increase the number of coaches in the north-west. At the start of the current Network Rail investment period, 182 new coaches were thought necessary—according to Government and Network Rail figures. Many people in the passenger transport executives involved with the Northern Rail franchise—I think it is five—thought the figure was too low. However, of those 182 carriages, 18 have been ordered, and I understand that 50 for the northern franchise are waiting for a signature. I would be grateful if my right hon. Friend the Minister told me whether that contract will be signed before Parliament is prorogued, because we are right at the last minute, and certainty about the matter is important. The Secretary of State has been good enough to see my hon. Friend the Member for Manchester, Central (Tony Lloyd) and me about the issue on two or three occasions. I hope for confirmation of the good news about the contract before we all go to fight elections, retire or do whatever we shall do over the next four weeks.

I would also like a firm commitment about where we are on phase 2 of the contract. Can the Minister give any more reassurance about whether we shall get new or refurbished trains? I would like him to tell us as much as he can about the latest situation on the 50 carriages and on the second phase of the scheme.

The north of England—not just the north-west, but the whole of those regions of England—have not had a fair deal in transport compared with the investment going into the south-east of England, partly because of the methodology used at the Department for Transport. My hon. Friend and his ministerial colleagues have made a fantastic start, but I hope that they get into the guts of the technicalities, so that they can follow their natural political instincts and ensure a fair deal on transport investment for all the regions.

3.15 pm

Mark Hunter (Cheadle) (LD): It is a pleasure to have the opportunity to contribute to the debate under your chairmanship, Mr. Howarth.

I compliment the hon. Member for Chorley (Mr. Hoyle) on securing the debate, which I am sure is of great interest to his constituents, just as it is to mine. He referred to the debate a few days ago on high-speed rail, to which a number of us present today were lucky enough to contribute. Some of the arguments might well be repeated but, frankly, they bear repetition, because of their importance.

I want to start with the issue on which most people so far have spoken in detail—high-speed rail. It is impossible to underestimate the importance of high-speed rail, not only to the north-west, the most important region of the country, but to the rest of the nation. High-speed rail would encourage a modal or paradigm shift to rail from private car transport and, I hope, from domestic aviation as well. High-speed rail would have a big impact on business travel in particular in the north-west. Surveys show that 70 per cent. of rail journeys in the north-west are made for business or commuter purposes. Passenger journeys overall increased by fully 20 per cent. between 1999 and 2005.

On the economic front, we know that high-speed rail construction could create as many as 10,000 jobs over seven years, according to High Speed 2 studies. A further study by KPMG earlier this year showed that high-speed rail might create between 25,000 and 42,000 extra jobs, boosting the UK economy by 2 per cent. by 2040. The greatest economic gains, of course, would come in such regions as the north-west, the north-east, Yorkshire and the Humber, Scotland and the west midlands. A lot of support for high-speed rail comes from the business sector. A survey of 500 businesses of various sizes was carried out in December 2008. When specifically

asked which would help their business more, almost four in 10 of the businessmen surveyed chose the high-speed rail link and fewer than one in 10 the third runway at Heathrow.

High-speed rail will also free up space on the established or classic rail network. The background to our debate today is the increase in rail travel: up by more than 50 per cent. in the past 26 years, and by 36 per cent. in the past decade alone. In an area such as the commuter station of Gatley in my constituency, rail passenger numbers have increased by 130 per cent. in the past 10 years. Our railways clearly have an awful lot more potential if the capacity is available. However, the picture is not all rosy. In 2008-09, 18.8 per cent. of trains on the east coast main line were running late, as were more than 26 per cent. of all Virgin trains, with which those of us who use the west coast main line regularly are familiar. If and when we get high-speed rail, trains will be capable of travelling at up to 250 mph and journey times will be significantly reduced: London to Birmingham 49 minutes, down from an hour and 24 minutes; London to Manchester an hour and 20 minutes, down from two hours and eight minutes; and London to Edinburgh three hours and 30 minutes, down from four and a half hours as now.

I want to make an important, if parochial, point: we do not want to lose stops that are well established and well supported by the travelling public. I am referring to the stop at Stockport; the station is just outside my constituency but is well used by residents of the wider area and is at risk because of the new high-speed rail line. I have asked Ministers to guarantee that any new high-speed rail link would continue to stop in Stockport, but that guarantee has not been forthcoming. It is obvious that the train operating companies are looking to reduce journey times by cutting out established stops that are well used and well liked by our constituents.

The Liberal Democrats regard high-speed rail not as an alternative to other rail schemes, but as a complement to them. There is, as we have heard, currently a huge transport spending gap between London and the north. It is crucial that that be addressed in this debate. Spending per head on transport is far lower in the north than in London. As we know from the Transport Committee report of 2009, the north-east and Yorkshire receive only 72 per cent. of the UK average per head of population. London, by comparison, receives 195 per cent. per head of population and Scotland receives 162 per cent. There is a similar gulf in capital investment. In the five years to 2008, investment rose by 35 per cent. in the north-east and 37 per cent. in Yorkshire, but over the same period investment in London rose by 80 per cent.

We are committed to electrification of virtually the entire network by 2050. At the moment only 39 per cent. of our rail network is electrified, compared with more than 50 per cent. in Germany. In France, fully 90 per cent. of passenger traffic travels over electrified lines. Why is this important? Put simply, electric trains emit around 20 to 35 per cent. less carbon than conventional trains.

We would like the Government to give greater consideration to reopening old lines. We have said that we would set up a rail expansion fund worth up to £3 billion, from which councils and transport authorities could bid for more money to pay for rail improvement and expansion projects. That would be paid for by cutting part of the major roads budget. I shall be clear on this point. We are suggesting not a moratorium but a presumption against new road schemes, except where there is an exceptional case. Hon. Members might ask what I mean by "exceptional case". I have a perfect example right in the middle of my constituency: the A555 relief road that links a roundabout on the Bramhall-Woodford boundary with a roundabout on the Heald Green-Handforth boundary. If that relief road is not completed, it will stand as a permanent testimony of the follies of short-term transport planning.

Graham Stringer: I am resisting caricaturing the hon. Gentleman's party as the one in favour of potholes. Can he give us a list of Lib-Dem Members who do not want an exception for their constituents in respect of road schemes?

Mark Hunter: The hon. Gentleman will understand that I find that temptation utterly resistible. I am happy to confirm that the earlier part of his jibe is fallacious. I will give him a further example. Liberal Democrat-led Stockport council has this year put an additional £2 million into its road repair budget. I hope that he will consider further the point that he made.

There is potential for reopening thousands of miles of railway lines across the UK, once again establishing a truly national rail network. As we have seen from the figures mentioned earlier, and from what other hon. Members have said, the public at large are clearly interested in and willing to use trains as a better method of transport. The simple problem at the moment is that the capacity and the infrastructure do not support the demand.

Mr. Goodwill: I should like to give the hon. Gentleman the opportunity to reconfirm the Liberal Democrat pledge to cut the major roads budget by 90 per cent. There will not be a lot left for the marginal Lib-Dem seats.

Mr. George Howarth (in the Chair): Order. Before the hon. Member for Cheadle (Mark Hunter) proceeds, it would be helpful if, from time to time, he related his argument back to the north-west, which is what we are debating today.

Mark Hunter: Thank you for the observation, Mr. Howarth, but my constituency is in the north-west of England, the schemes that I have mentioned are transport schemes and the title of the debate is "Transport in the north-west". I await further guidance on that matter.

The hon. Member for Scarborough and Whitby (Mr. Goodwill) made a point about the reduction in the major roads budget, but he knows that my hon. Friend the Member for Lewes (Norman Baker), our party's Front-Bench spokesman, has already dealt with that question. For reasons of time, I do not wish to go over that again.

I want to say a word or two about overcrowding, because the 2007 White Paper forecast the need to provide additional capacity for in excess of 4,000 people in morning peak times and to ensure that the average load factor on the trains was no more than 45 per cent. The Department for Transport's rolling stock strategy,

[Mark Hunter]

published in 2008, identified 182 additional carriages for Northern Rail, as the hon. Member for Chorley mentioned, which covers the north-west of England. Later that year, the Department announced a plan to purchase 200 diesel carriages, including those 182 carriages that I have already mentioned. That plan has since been cancelled, owing to the higher than expected procurement costs. The DFT has issued a revised proposal that will introduce 80 to 100 carriages in the first phase. As other hon. Members have indicated, an update from the Minister today on those carriages would be most appreciated, not least by the Greater Manchester integrated transport authority, which has been in touch with the Transport Minister about this matter, which is of great concern to us.

The issue of buses has not been covered in this debate so far—

Mr. Hoyle *indicated dissent.*

Mark Hunter: I beg your pardon. That subject was touched on by the hon. Member for Chorley, but it needs to be given a little more time if we are to do justice to it in the wider context.

The cost of buses has increased more than the cost in any other sector since the current Government came to power. Between 1997 and 2008 the real cost of motoring declined by 10 per cent. and the real cost of coach and bus fares increased by 13 per cent. That is not to say that the cost of motoring is too low, but it is an argument for saying that the cost of bus and coach fares is too high. The background is that the vast majority of local transport journeys are made by bus or coach. In 2008-09, 5.2 billion such journeys were made, compared with 5.1 billion in 2007-08. Between 1985-86 and 2006-07, the number of bus journeys fell by 30 per cent. in Scotland, by 28 per cent. in Wales and by 22 per cent. in English non-metropolitan areas.

With prices and operating profits going up, and journey numbers going down, the whole system must be revaluated to provide a better deal for passengers in the north-west and beyond. The Liberal Democrats would like the Tories' bus deregulation of the 1980s to be reversed, with local authorities being given much more control over pricing and planning services.

Graham Stringer: The hon. Gentleman is generous with his time. I agree with his arguments. I supported the Transport Act 2008. Can he tell us why the Liberal-led integrated transport authority does not use the powers in that Act to bring in quality contracts in Greater Manchester?

Mark Hunter: Having recently met the chair of the Greater Manchester integrated transport authority, I know that it is concerned about this matter, which is currently receiving attention. Following your guidance earlier, Mr. Howarth, to stick to the main subject, I do not propose to be diverted further, but I am sure that the hon. Gentleman is aware that discussions on that matter continue.

I should like to talk about concessionary fares, which the hon. Member for Chorley mentioned earlier. As he rightly said, the scheme is hugely popular—the take-up rate across the country in 2006 was some 60 per cent., including 85 per cent. in London and 79 per cent. in metropolitan areas, such as those in the north-west—but many local authorities across the region have found that the DFT-provided funding is insufficient to cover the real costs of providing the national scheme and have therefore been forced—

Mr. Hoyle: Some local authorities got more than they should have, while some did not get enough, and the ones that got too much would not hand anything over to the ones that did not have enough. The problem was that the funding was there but its allocation seemed to go wrong.

Mark Hunter: I thank the hon. Gentleman for that intervention. I am minded to say, "'Twas ever thus." Those of us familiar with the arguments about central Government funding for local authorities can testify that the argument is not always that there is not enough money in the pot, but simply that it is not appropriately allocated, and this is another example of precisely that. With his intervention, the hon. Gentleman has saved me from having to go on to the other point I was going to make about the disparity between what different areas receive.

There have also been changes to eligibility. In December 2009, the Government announced that the age for eligibility was to change from 60 to 65. From this month—April 2010—anybody turning 60 has to wait an extra month before qualifying for free travel. As we know, the threshold for eligibility will be raised—

Mr. George Howarth (in the Chair): Order. May I help the hon. Gentleman? Each of the Front-Bench spokespeople should have equal time to speak, and I think that the hon. Gentleman has just about taken up his share of the 45 minutes available for all three of them.

Mark Hunter: Thank you, Mr. Howarth. Yes, I was keeping an eye on the clock, and you will be pleased to know that I am coming to the end of my remarks.

As I was saying, the proposals on concessionary fares will mean that 3 million people over the age of 60 will no longer be eligible for a bus pass. This year alone, some 92,000 people will be denied the bus pass they were expecting.

I conclude by referring to a comment made by my hon. Friend the Member for Lewes in an interview with *The House Magazine* in September 2008:

> "With climate change the greatest threat facing us today and aviation the fastest growing source of carbon emissions, we cannot afford not to invest in high-speed rail. The government needs to sever its unhealthy ties to the aviation industry, stop its small-scale tinkering with the rail network and make the step-change necessary to accommodate fast-growing passenger numbers and encourage a switch from air to rail."

Our constituents deserve nothing less, and I acknowledge that, with their announcement of support for high-speed rail, the Government have finally made a small step in that right direction.

3.32 pm

Mr. Robert Goodwill (Scarborough and Whitby) (Con): I congratulate the hon. Member for Chorley (Mr. Hoyle) on securing the debate. He talks passionately about the

issue. The north-west—the north in general—has been the poor relation in transport funding. Department for Transport figures show that in 2008-09 the north-west received £309 per head, Yorkshire and the Humber £239, and the north-east £235, compared with per capita funding in London of £826—more than two and a half times as much. The Transport Committee stated in its report "The major road network":

"It is unacceptable that some parts of the country are discriminated against in terms of transport investment."

That is disappointing, particularly bearing in mind the large number of Labour Members of Parliament who represent the north-west, the north-east and Yorkshire and the Humber, and the fact that fairly recently we had a Secretary of State representing a constituency in that part of the world. Not only is the north-west losing out, but some hard-earned taxpayers' money has been wasted due to Government incompetence.

A case in point is the controversial Mottram-Tintwistle bypass. The three-and-a-half-mile bypass was originally budgeted at £183 million, and would have taken thousands of vehicles a day away from village roads on the edge of Tameside, relieving traffic jams from the M67 through Mottram and boosting jobs and investment in the area. As all road schemes have an environmental impact, the Highways Agency should have been in a position to present a case at the public inquiry that began in June 2007 and was expected to last 10 weeks. In January 2008, the *Manchester Evening News* reported that the hearing had been adjourned indefinitely after five unsuccessful attempts to draw up the right plans for the scheme.

There has been a catalogue of errors. I tabled a parliamentary question on 6 May 2008 for the hon. Member for Glasgow, South (Mr. Harris), who was the Minister at the time. In the answer, he said that the public inquiry had met for only 15 days between 26 June and 18 December, and that since August 2004, £15 million had been spent on design, publication of draft orders, environment statements, draft modelling, legal costs, Highways Agency staff and the public inquiry. When I tabled a further question in 2009, I was informed that an additional £1,176,000 had been expended, which means that more than £16 million has been spent on the bypass and not a single square metre of tarmac has been laid. The scheme was finally cancelled by Lord Adonis on 23 July 2009. That was interesting timing—just before the parliamentary recess. No doubt it was another day to bury bad news. According to the Government, the scheme could be resurrected in 2016-17. When the Minister has the chance to comment, will he say whether he takes any responsibility for the fiasco and whether he can think of better ways of spending £16 million in the north-west?

The hon. Member for Chorley mentioned the concessionary travel scheme, which has been a real boon for pensioners. He pointed out that at the start, some local authorities were inadequately funded and others received a surplus, but the Government have tackled some of the funding problems and the situation is now much better. I wish to put it on the record that a fallacy is being put around the country by some perhaps not-so-well-advised parliamentary candidates and also, dare I say, by the Prime Minister. At Prime Minister's questions today, he stated that the pensioners concessionary travel scheme would be under threat should a Conservative Government be elected. I reassure pensioners up and down the country that we do not intend to scrap the scheme. It is a brilliant scheme, from which many of my constituents and others across the north-west benefit.

Graham Stringer: I am grateful for that clarification. What plans does the Conservative party have for the bus service operators grant—BESOG? Has the party pledged to maintain that subsidy to bus operators?

Mr. Goodwill: That is one of the matters that we will have to keep under review, and I would not want to mislead the hon. Gentleman by giving an answer off the top of my head.

Labour's proposals risk getting high-speed rail wrong for the economy and the environment. The Government Command Paper talks about High Speed 2 going to Birmingham, but mentions only the possibility of its being extended to Manchester and Leeds. The proposed line to Birmingham leaves the north, Scotland and Wales out of the massive social, economic and regeneration benefits of high-speed rail. Failing to take high-speed rail through Heathrow will be a big mistake and a major lost opportunity for the environment. Labour's deeply misguided support for a third runway has distorted the party's approach on high-speed rail. The whole point of taking high-speed rail to Heathrow is to connect it to Manchester and Birmingham and their airports. That is not a fudged policy that was cobbled together—it is part of a co-ordinated approach to greening our transport policy. It would ensure a twin-hub approach, similar to the high-speed rail connection between Paris Charles de Gaulle and Amsterdam Schiphol. If a destination is served by planes that often travel half-full or even emptier, a high-speed rail connection between airports makes it possible to keep those services going, and high-speed rail between Manchester and Heathrow would ensure that that is the case.

The overall cost of building a new line would be about £20 billion, and taxpayers' contribution would be £15.7 billion, with both figures at 2008 prices. The building would require £1.3 billion from the taxpayer in each of the 12 years that the rail professionals tell us construction would take. Since the planning and preparation process would take at least four to five years, we would target construction to take place between 2015 and 2027. It is important to remember that the major cost of the project will not kick in until that point. I am always surprised to be told that our policies for high-speed rail are not costed. We have announced the figures, and they add up.

On the rail review, the long-term project for high-speed rail should not be at the expense of improvements to the existing network. That is why when we costed the project, we ensured that it would not consume the whole railway budget, but would allow for continued investment in improving services for all, including electrification. Furthermore, if we are elected to form the next Government, we will implement a host of changes to the rail industry that will have a more immediate impact on the quality of rail travel in the north-west and other areas. We will extend the length of passenger franchises, allow train operating companies to carry out short-term capacity enhancements, reform the governance of Network Rail, and reinforce the regulator's role. Labour has shied away from reform, but the Conservatives will not.

[Mr. Goodwill]

I want to make a brief point about the Manchester hub. Network Rail's recent report highlights many of the problems around Manchester and the wider north-west that we have long recognised. Despite its pledge in 2000 to deliver a Manchester hub as part of its 10-year plan, Labour has singularly failed to deliver the capacity improvements needed in the north-west. A Conservative Government are committed to bring high-speed rail to the north of England via Manchester, and we have set out clear plans to reform our rail network to deliver the better stations, better services and new trains for which passengers are crying out.

The hon. Member for Chorley mentioned electrification, and there is no doubt that if we are to meet our long-term environmental targets of reducing greenhouse gases by 90 per cent. by 2050, rail electrification is important. Further electrification of our railways is an important way of improving efficiency and reducing carbon emissions from transport, but the Government have failed to come clean about the cost to taxpayers. Yet again, Labour is maxing out Network Rail's credit card, leaving taxpayers to foot the bill. After Lord Mandelson's announcement of swingeing cuts to the transport budget, how can we believe that Labour's announcement of billions of pounds of new spending will not impact on existing transport commitments or put further strain on public finances, which are already stretched to breaking point? Labour should come clean on what current projects it plans to cut to provide the funding.

Having said that, the big hit for obtaining environmental improvements is reducing reliance on aviation. Until we have a sustainable electricity supply in this country, we must consider carefully how to phase in electrification. People in countries such as Spain and Germany would not dream of flying distances as short as the one between Manchester and Heathrow. There would be a high-speed rail link. We are catching up with other countries.

On rolling stock, the Northern Rail franchise in particular is suffering from the Government's failure to deliver new carriages. We have heard the 1,300 new carriages being announced, re-announced, then re-announced again. The delay in publication of the revised rolling stock plan has caused great uncertainty for the industry. The recent announcement of 16 class 150 vehicles for Northern Rail is welcome, but it is nowhere near enough, as the franchise was promised 182 in the original rolling-stock plan.

The difficulty that we and others have experienced in trying to tie down exactly how many carriages will be delivered, when and to whom, is indicative of the horrendously complex system used by the Department for Transport for buying new rolling stock. Conservatives believe that the Government's role in buying rolling stock should be radically scaled back. The detailed involvement by civil servants is delaying the delivery of new capacity and driving up costs for both taxpayers and fare payers in the north-west. The Competition Commission's recent report highlighted the fact that the Government's meddling in the procurement of rolling stock was preventing the rolling-stock companies from getting more trains on to the network.

Our proposed changes to the franchising system will give train operators a much stronger incentive to invest to improve the quality of service that they offer and to provide new capacity to help to tackle overcrowding. Our approach may provide a realistic option for passenger operators to save money by buying their own rolling stock rather than leasing it. We have had a good and interesting debate. My only criticism—dare I say it?—of the hon. Member for Chorley is that he came up with a very long shopping list.

Mr. Hoyle: It was a shopping list, but part of it was funded, because the money is already there. The rest is down to commitment, so there is no real expansion in spending.

Mr. Goodwill: The problem with transport, as in so many other areas, is that although the hon. Gentleman has a shopping list, his credit card has already been maxed out by the Chancellor of the Exchequer. Many of the long-term aspirations to which he refers will have to be viewed in the context of the overall economic climate and this Government's unprecedented level of borrowing, which will have to be repaid some time or other.

3.45 pm

The Minister of State, Department for Transport (Mr. Sadiq Khan): It is a pleasure to see you in the Chair, Mr. Howarth, for what will probably be the last major debate on transport in this Parliament before we secure an historic fourth term at the general election. It is right and proper that we have a Chair from the north-west. I am pleased that my hon. Friend the Member for Chorley (Mr. Hoyle)—he is indeed a friend—secured a one-and-a-half-hour debate on this important issue. I am not being patronising when I say that if a parliamentary candidate ever wanted to see how an MP can secure investment in his community and improvement in his region, they should read this debate, particularly my hon. Friend's speech. For the record, it is not just his ability to raise these important points in Westminster Hall and the House that is important—he doesn't half hassle Ministers in the Lobby to obtain the best for his community. He is always courteous, sometimes forceful, and always passionate in trying to secure the best for his community.

I thank all hon. Members, including my hon. Friends and Opposition Members, for their contributions to this important debate. It is important to begin by putting the record right on what we have achieved during the past 12 years. My Department is proud of the investment that we have put into improving transport in the north-west. Over the past five years, total public expenditure on transport in the north-west increased by 38 per cent. from £1,548 million in 2003-04 to £2,136 million in 2008-09. The north-west was allocated just under £672 million for local transport and maintenance for the period 2008-2011, and in addition the regional funding allocation included £1.3 billion for major projects, which has already helped to deliver large-scale new infrastructure.

People on the doorsteps who read the scare propaganda that they receive through their letterboxes sometimes ask, "Why didn't you fix the roof when the sun was shining?" Of course we built new schools, we built new hospitals, we employed more nurses, doctors, teachers and police officers, but we also invested in transport in the north-west.

In respect of the north, we need to defend our record proudly. My hon. Friend the Member for Manchester,

Blackley (Graham Stringer) referred to this matter. Figures from the Treasury and from the Department for Transport show that from 2003-04 to 2008-09 there was greater percentage growth in transport spending in the north, which includes the north-east, Yorkshire and the Humber—I see my hon. Friend the Member for Selby (Mr. Grogan) here—and the north-west, than in the greater south-east, which includes London, the south-east and the east. The figures are 37 per cent. or 38 per cent., depending on whether the figure is levelled up or down, compared with 29 per cent. That was done because the region deserves that funding, not because we were seeking to influence the electorate, as has been claimed. Hon. Members here for the debate have been powerful advocates for their communities' need to receive additional funds. I am pleased to put on record the huge investment that the area has secured thanks to the Government accepting the worthiness of the case articulated today.

I am also pleased to be able to highlight the excellent delivery of major transport schemes achieved in the north-west. Since 2006, the region has completed nine schemes, and a further nine are already under construction. That is an excellent record. During the last financial year, we announced full approval for a further eight schemes in the north-west, amounting to approximately £330 million in conventional funding, plus £158 million in private finance initiative credits. Let us be clear: that was in the last financial year, when some people advised us to make a 1 per cent. real-terms cut in spending, which would have meant a cut of £840 million in spending on transport. Imagine having cut £840 million over the last financial year, and add to the equation the advice that we have been given to make savage cuts in 2010-11 and further cuts thereafter. It is important that prospective candidates read the excellent speech made by my hon. Friend the Member for Chorley regarding how an MP should effect change in Parliament. I hope that voters around the country, especially those in the north-west, will read *Hansard* with due diligence tomorrow to see a record of delivery versus one that would have led to huge cuts.

My hon. Friend made a number of excellent points, which I will deal with as quickly as possible in the short time that I have left. He congratulated us on the plans announced for high-speed rail—those are proper, detailed plans, not something done on the back of an envelope after someone was kiboshed by the Mayor of London in an announcement on the eve of a conference. However, those plans are subject to an important caveat—public consultation. Everything is up for grabs. The idea of high-speed rail is up for grabs; it is not a done deal. We will be consulting formally from the autumn on whether there should be high-speed trains, and we will also consult on the route. That consultation should include the issue of where construction begins. My hon. Friend raises an important point, which prays in aid as a tour de force the history of people from the north-west as pioneers of transport over the past 200 or 300 years. Why should that not continue? I encourage people to get involved in the consultation process.

My hon. Friend reminded us of the importance of the Liverpool, Preston and Manchester triangle. He will be aware that an announcement about the electrification of those lines has been made by the Government over the past 12 months. Imagine if we had taken the advice to make cuts of £840 million over the last financial year, on top of the savage cuts that we have been advised to make this financial year, which began this week. Could those lines be electrified over the next period, as we intend them to be?

My hon. Friend was right to remind me that Chorley is not simply the centre of the universe, but the centre of an important triangle in that part of the region. He made an important point about the job losses at Jarvis, as did my hon. Friend the Member for Selby. I am surprised that people at Network Rail are not willing to meet my hon. Friend the Member for Selby, and I will ensure that a letter is sent today from my private office to Network Rail. The civil service works very hard and some people in it get a far smaller salary than some people in other industries. I will try to send the person in question—or someone else senior if he is not available—a transcript of what my hon. Friend has said, and suggest that a meeting is arranged to discuss the two issues that have been raised, both of which are important not only to my hon. Friend, but to his constituents and users of Network Rail.

My hon. Friend the Member for Chorley raised an important point relating to the Royal Ordnance factory and the development of the station. He was right to pay tribute to the announcement of the £3.3 million from the community infrastructure fund. When I heard his contribution, I was concerned about the section 106 agreement, and the questions about whether there had been a "double reward" for monies that may or may not be spent.

Mr. Hoyle: Quite rightly, in Chorley there was a double insurance. Lobbying took place and the Government picked up the £3.3 million. However, another section 106 agreement was added, so that another £3.3 million was awarded for the railway station if plans had gone ahead. That allows us £3.3 million to spend on transport for the benefit of the people of Chorley. The people of Chorley can win with this, as long as the money is spent as agreed.

Mr. Khan: My point was that, to avoid the perception of the council pocketing a gain for the community, people should read the excellent speech made by my hon. Friend. They will need to ask how the money is being used to the benefit of transport users in that part of the community. The whole point of a planning gain is to ensure that the community benefits, and it is important that that is the case. The lobbying that my hon. Friend undertook in getting investment for transport in his constituency does not simply benefit his constituents; it also benefits the wider community.

My hon. Friend raised an important point about the arches, and I will write again to Network Rail to see how soon it will be getting those arches back and to find out what the delay has been. He noted the short-sightedness of the policy at the village of Adlington on the Piccadilly service. I am not in charge of the timetable, and the best thing I can do is send Network Rail a verbatim account of what my hon. Friend said and ask it to explain why it has made those changes.

The point raised about new developments is important. It relates to weak local authorities—some are borough councils or district councils—that do not enforce planning conditions. My hon. Friend points out that in the current climate, some developers may seek to reduce

[Mr. Khan]

their costs, which could mean that roads are built that are not of adoptable standards. I am keen to ensure that local authorities protect their communities and put the conditions in place for having roads that are adoptable, so that residents can benefit from roads, bus shelters and sewers that are properly maintained. That is important. I will write to Network Rail separately on the issue of Rylands crossing and that safety issue. My hon. Friend also raised a point about the footbridge, and I will look into that.

My hon. Friend the Member for Selby raised a number of important points. I have already responded to the point about Network Rail and Jarvis. He raised other points about the quality of ale at the pub, Stalybridge station, Boxing day and other matters. He asked how we can improve franchises when future contracts are given out. I will take those points on board and ensure that my officials do, too. However, on the choices that we make and some of the advice that we are given, we are sometimes accused of micro-managing contracts. If micro-managing involves ensuring that those who have contracts provide a good service, ensuring that franchises are written in a way to get the best quality of service for commuters, and holding train operating companies to account in relation to bad timetabling arrangements, I plead guilty. We will not allow train operating companies to take commuters for a ride—forgive the pun.

When preparing for a Select Committee, when it is the turn of my hon. Friend the Member for Manchester, Blackley (Graham Stringer) to speak, my heart beats slightly faster, and I was slightly nervous when he got up to speak today. He made a fantastic contribution to the debate, and was right to put on record the huge contribution made by my noble Friend Lord Adonis since he became Secretary of State. We have tried to engender an attitude whereby transport is at the centre of everything that city leaders, councils and others do in matters of planning, land use and other issues. My hon. Friend raised two specific questions about the rolling stock contract and phase 2. He will appreciate that things have moved fast over the past year in relation to that, not least because of the delay with the Thameslink programme contracts. I will write to him before Parliament is dissolved to answer the important questions that he raised.

Let me put on record the fact that the hon. Member for Cheadle (Mark Hunter) has been a constructive partner in securing recent improvements in infrastructure, not least in the role that he played in meetings on HS2 and with the Secretary of State, and there has been a constructive dialogue about how we get the best for our country in a consensual manner. I compare and contrast that with how those who wish to form the next Government and appoint the next Secretary of State for Transport have behaved in relation to High Speed 2. We should put aside party political issues to try to get the best possible deal for commuters around the country. The hon. Member for Cheadle raised some important points, and my hon. Friend the Member for Manchester, Blackley picked up on some of the possible perceived inconsistencies between what his party says nationally and what it may do locally.

Last year we spent £2.5 billion on buses—that is more money spent on buses than at any time in recent history. More people are using buses now than at any time since they were deregulated by the Conservative party. The quality contract is one way in which local authorities can secure the franchise deal that London has secured. Only one party goes into the election with a commitment to abolish quality contracts. It is not the party of the hon. Member for Cheadle or my party; it is the Conservative party.

The hon. Member for Scarborough and Whitby (Mr. Goodwill) has the breathtaking audacity to talk about how his party would run the transport system at the same time as making the huge cuts that it wants to make this year, and those that it will inevitably make in future. His shopping list has no way of being met by his spending envelope, and so electrification, High Speed 2, Crossrail, motorway widening, quality contracts, bus passes for those of pensionable age and those who are disabled and further schemes to improve transport around the country would not happen.

I conclude by saying that this has been an excellent debate secured by an excellent MP who is doing the best for Chorley, together with other colleagues who are doing their best for the north-west.

Iraq (Humanitarian Aid)

4 pm

Keith Hill (Streatham) (Lab): I mean it when I say that it is an honour to speak my final words in this Chamber, and indeed the House, under your chairmanship, Mr. Howarth.

Four weeks and three days ago, on Sunday 7 March, I was in Iraq as an election monitor for Iraq's second set of parliamentary elections since the overthrow of Saddam Hussein in 2003. My election observation took place in the Kurdish city of Dohuk, some 80 km from the Turkish border. At precisely the same time, my hon. Friend the Member for Falkirk (Eric Joyce) was in Basra, several hundred kilometres to the south, also as an election monitor. I am grateful for his participation in this debate. I shall describe what I saw on 7 March and explain why Britain's programme of aid to Iraq is important—important in its humanitarian assistance, in repairing the country's infrastructure and in strengthening its governance arrangements. I hope that that assistance and support will be sustained.

At this point, I place on the record my huge gratitude to our consul general in the Kurdish region, Jeremy Macadie, and his team and my thanks to Chris Bowers and his Foreign and Commonwealth Office team and to Lucia Wilde and the Department for International Development team in Baghdad for their help in the preparation of this speech.

What I saw in Dohuk was an impressive demonstration of a free and fair election. In Dohuk, the turnout was more than 70 per cent. In Iraq as a whole, despite the threats and despite the bombings in Baghdad, the turnout was more than 62 per cent. In Baghdad, it was 60 per cent. In Britain, at our last general election, we managed 61 per cent.

At the half-dozen or more polling stations that I visited, I saw men and women casting their votes freely and in secret. With one or two regional exceptions—the older men in Kurdistan in their characteristic baggy trousers and elaborate headscarves—what I saw in person replicated the images that I watched in the television coverage of the polls across the whole of Iraq: the voting usually taking place in a small school classroom; the plastic blue-topped ballot boxes; the bottle of purple dye taped to the table at the side of the ballot box for people to dip their forefinger in as proof of having voted; the three cardboard voting booths; the lists and voting instructions on the walls; lines of blue and white tape to guide electors into the polling centres; men and women in separate lines to be frisked before they entered; the election officials sitting at school desks, one with the register and another to tear off the ballot paper; and the very large ballot paper, because there were many parties and, as well as voting for a party, the elector had to express a preference for the order of the candidates on the list.

In addition to the five or six election officials, inside each polling station there were a similar number of scrutineers—party representatives and representatives of non-governmental organisations, which might be human rights or women's organisations. For a British observer, it was unexpected to find a multiplicity of party representatives in the same room as the voting, but that was not a bad check against fraud.

Equally unexpected was the counting of the votes in the same polling stations at the conclusion of the voting, but the counting was closely observed by the party scrutineers, and the result was posted up at the most immediate local level. That did, on reflection, serve to make later tampering far less easy. Although the count that I observed took two and a half hours at the end of an already long day, it was done with humour, grace, commitment and efficiency. The election officials and scrutineers were mostly young people in their 20s or 30s and many were women—a good harbinger, I thought, of the future of democracy in Iraq.

That is not to say that the elections were without flaws and defects. There are in Iraq a very large number of internally displaced persons—up to 2.8 million—hence the continuing need for significant humanitarian aid. The names of the IDPs were not always on the registers, although when they were, I found it extraordinary and impressive that in Dohuk there was provision for such displaced persons to cast a vote on the ballot paper of their home town, be it Mosul, Kirkuk or even Baghdad. Problems were also reported with the registers for the security forces, who voted two days before the general election so that they could be on duty on polling day.

Nevertheless, and notwithstanding the painfully slow process of the central aggregation of results from nearly 50,000 polling stations throughout the country, what I saw and the positive judgment that I made seem to reflect the response of the thousands of Iraqi and international election observers. The three main independent Iraqi election observation networks—Tamouz, Hammurabi and Shams—said:

"The electoral process went well".

According to the International Election Monitors Institute,

"the essentials of a democratic election were in place."

According to the United Nations, the elections were "credible" and "a significant achievement". In the words of the UN special representative, Ad Melkert,

"7 March was a triumph of reason over violence."

Indeed, when an incumbent Prime Minister complains about the result, that is a fair guarantee that the election has been fair and free.

It is plain to me, from my experience of election monitoring in two African countries and now Iraq, that generally people like to vote. They like to take some ownership of their lives. However, it is equally plain that people will lose confidence in the democratic system if it fails to meet their basic material needs or to offer them reasonable standards of governance. They need an economy and an infrastructure that work and a state that protects its citizens. That is where the British aid programme comes in and why it is so important.

I have mentioned that there are 2.8 million internally displaced persons in Iraq, with a further 2 million dispersed around the region. Their needs have been the most urgent, and I welcome the £170 million that DFID has contributed since 2003 to provide food, water, shelter, medical care and protection to those most vulnerable people. Iraq is probably no longer in humanitarian crisis, but I should be grateful for my hon. Friend the Minister's assurance that humanitarian aid will continue where necessary.

I also welcome the several hundred million pounds of British aid that have gone towards rebuilding Iraq's dilapidated infrastructure, especially in the south around

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Basra. There have obviously been considerable improvements in electricity supply. Hundreds of thousands of people now benefit from clean water. There have also been important improvements in health care and education facilities. The Iraqi people have deserved that assistance in starting to recover from the years of neglect and mismanagement under Saddam Hussein.

However, I am conscious that Iraq is not among the poorest countries. It already ranks as a lower middle income country. With the third largest proven oil reserves and 10th largest gas reserves in the world, its potential wealth is clearly enormous. The key questions are how it manages that wealth, whether its people benefit from it—Iraq is third from the bottom of the 2008 corruption perceptions index—and how far its Government recognise their responsibility to provide for their own people. Those challenges go to the heart of governance, the rule of law and human rights in Iraq.

It is excellent, therefore, that DFID has provided technical support to improve the decision-making and administrative systems of the office of the Prime Minister and of the Council of Representatives, the Iraqi Parliament. I find it fascinating and important that in advance of the recent general election, DFID supported Iraqi cabinet office preparations for a transition of Government. DFID has also worked with the Ministry of Finance to improve its operation. In 2009, DFID's budget preparation support helped to secure for the first time cabinet approval of the budget strategy and the submission of the 2010 budget with a clear statement of guiding priorities and a medium-term fiscal framework. Similar capacity-building work has taken place with the Basra provincial council to enable it to take forward more than 800 reconstruction projects since 2006.

It is evident that the FCO, working closely with the European Union integrated rule of law mission for Iraq, is also doing good work in strengthening the criminal justice system in Iraq, not least in helping Iraqis to develop their forensic capacity. It is easier to trust the state that does not torture its citizens.

Led by my right hon. Friend the Member for Cynon Valley (Ann Clwyd), the Prime Minister's special envoy to Iraq on human rights, to whom I pay the warmest possible tribute, the FCO has done good work in human rights, including encouraging the Council of Representatives to pass legislation in 2008 to establish the Iraqi national human rights commission.

I accept that as the country begins to achieve its economic potential, the UK's overall aid programme to Iraq will decrease. At the same time, however, all the DFID and FCO interventions in the area of government and the rule of law play a vital role in consolidating democracy in Iraq.

Mr. Andrew Pelling (Croydon, Central) (Ind): It is a great privilege not only to hear what the right hon. Gentleman has to say but to take part in his final debate here. He has been such a successful Member for Streatham.

May I ask whether there was any discussion about moving on and taking advantage of the wealth that could be created in Kurdistan? Was there any discussion of the opportunity for direct air flights from London to that part of Iraq, so as to promote trade with the UK and, therefore, wealth in that region?

Keith Hill: I am grateful to the hon. Gentleman for that intervention, and for his exceptionally kind words. We are close constituency neighbours in south-west London.

The answer to his precise question is yes. The matter of direct air flights from the UK to the Kurdish region was raised with me, specifically flights to Erbil. The hon. Gentleman may be aware that Austrian Airlines has three direct flights a week and Lufthansa is about to start flights there. There is a desire on the part of the Kurdish authorities and Kurdish entrepreneurs to strengthen their business links with the UK, and they are certainly keen that such flights should be instituted. I am extremely grateful to the hon. Gentleman for allowing me to put that expression of desire on the record.

I return to my argument that DFID and FCO interventions in the area of government and the rule of law play a vital role in consolidating democracy in Iraq. I therefore hope that my hon. Friend the Minister will be able to offer a strong reassurance that such interventions will continue to form part our aid programme to Iraq.

Last week, as I was beginning to think about what I might say today, I happened to read an interview with Mohamed el-Baradei, the former head of the UN nuclear watchdog and perhaps a candidate in the next Egyptian presidential elections. Mr. el-Baradei offered a severe critique of the west's involvement in middle east politics, in the course of which he said:

> "The west talks a lot about elections in Iran, for example, but at least there were elections—yet where are the elections in the Arab world? If the west doesn't talk about that, then how can it have any credibility?"

Actually, there have been elections in Iraq. Parliamentary elections were held in 2005, provisional elections were held in 2009, and parliamentary elections were held again last month. Each time, as far as we can see, they were freer and fairer than previously. This time, the elections delivered a result that may reshape alliances across communities and perhaps boost national reconciliation.

It is true, of course, that tensions still run deep. There are still appalling bombings by a perverse and apparently irreconcilable minority, yet the election in 2010 was unquestionably democratic, and democracies tend to be less cruel to their citizens and more peaceable to their neighbours. That was a prize worth winning. I hope that the UK will continue to give priority to helping Iraq strengthen its democracy.

4.14 pm

Eric Joyce (Falkirk) (Lab): I thank you, Mr. Howarth, for your forbearance in allowing me a couple of minutes; I also thank the Minister.

I thank my right hon. Friend the Member for Streatham (Keith Hill); at the end of a pretty salubrious parliamentary career, he made a fine speech about Iraq. That is on top of his many other fine speeches. My right hon. Friend may be best remembered for being a close aide and support to one of our great Prime Ministers.

It was a great privilege to take part in the same scheme as my right hon. Friend and observe what was going on during the Iraq election. I went to Basra, and was hosted by the astonishing Alice Walpole, our consul general there; she runs a flawless operation. It was a

super time. We had a one-day tour of Iraq—not long for a politician, but short for a soldier—and I saw much of what my right hon. Friend described. It was a good trip; we went round a bunch of polling stations, which seemed to be perfectly well run. There was enthusiastic participation and a pretty good turnout.

It was interesting from a broader perspective. We now know that Mr. Allawi got a larger share of the vote, but most people thought that al-Maliki, the current Prime Minister, would receive the larger number of votes. It was striking that the parties had to rely on support across the religious denominations. A Sunni could not demand Sunni votes, and Sunnis made it clear that if a politician demanded their vote because he was a Sunni or a Shi'ite he would get short shrift. As it was, Mr. Allawi's party seems to have done the best, primarily from Sunnis with Shi'ite support; for Mr. al-Maliki's party, it was the other way round. I was in Basra, and saw substantial support for Mr. al-Maliki. A coalition has not yet been put together, but we shall see.

The FCO staff that put together the programme that my right hon. Friend mentioned were super, as we have come to expect. Inevitably, I still get letters about my having been fairly vocal in support of the Iraq campaign from people who still will not take back their great opposition. I cannot put them right on all of those points, some of which are entirely valid.

We all know that the post-war reconstruction effort could have been a great deal better. However, as my right hon. Friend said, my right hon. Friend the Member for Cynon Valley (Ann Clwyd) has done much work in that respect, and we can be sure of Britain's effort between then and now; it has been exceptional. The aid programme has been extremely successful, and the efforts of our diplomats in Kurdistan, Baghdad and Basra have been equally exceptional. In a way, we tend to forget about that, I guess because people's interests have moved across to Afghanistan. However, our hard-working diplomats and their support staff, and the contractors and security staff there, are all doing great work. I understand that, from a financial point of view, Basra in particular is the subject of some interest at the FCO. The Department cannot keep all its posts open, but I hope that its post at Basra can be kept going for the moment.

I thank my right hon. Friend the Member for Streatham for allowing me the great honour of speaking directly after him in his final debate. Perhaps we should reflect on the fact that in 1979, Iraq had a similar GDP to Portugal; within a few years of Saddam taking power, its economy was in pieces. With the elections, we started the long process of moving towards welcoming Iraq as a modern country, again similar to today's Portugal.

4.18 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): I congratulate my right hon. Friend the Member for Streatham (Keith Hill) on securing this debate. I pay tribute to his work in the House over a number of years. It would be remiss of me not to record the breadth of his contribution.

My right hon. Friend has been a Parliamentary Private Secretary at the Department of Environment, Transport and the Regions, an Assistant Government Whip, an Under-Secretary of State at the DETR, deputy Chief Whip, and Minister of State at the Office of Deputy Prime Minister. Then, as my hon. Friend the Member for Falkirk (Eric Joyce) said, he was PPS to Tony Blair when he was Prime Minister. On a personal level, my right hon. Friend was Minister when I tabled a Back-Bench amendment to what became the Transport Act 2000; he kindly accepted it, to great plaudits in my local newspaper. He found fame in my local newspaper for meeting a colleague of mine while surfing; his exploits surfing on the beaches of Cornwall have also been noted.

As one of the observers of the elections in northern Iraq a month ago, my right hon. Friend speaks with some authority about the transformation that has taken place. I respect and value his comments—and, indeed, those of other Members who contributed to the debate. It is worth pausing for a moment to reflect on how far Iraq, its Government and its people have come since Saddam Hussein was overthrown in 2003. External debt is down from 326 per cent. of GDP in 2005 to 68 per cent. in 2009. Government investment increased six-fold between 2005 and 2008, and in 2005, Iraq held its first democratic election. None the less, as Members have noted, more than 20 years of conflict and neglect have taken their toll. Iraq remains a poor country; nearly a quarter of its people live in poverty, and thousands more have left in search of better prospects for themselves and their families.

The UK Government have been staunch allies to Iraq, contributing some £744 million to reconstruction efforts. The Department for International Development has played a key role, disbursing more than £500 million, nearly £200 million of which in humanitarian assistance. DFID has channelled its humanitarian funding through international organisations such as the United Nations and the International Committee for the Red Cross, which are best placed to help the most vulnerable in Iraq. Money on its own, however, is not a measure of success. It is important to look at the outputs and what has been achieved with that money. So far, our money has brought 2 billion litres of safe drinking water to deprived households, schools and hospitals. It has helped to rebuild more than 1,000 schools, to provide food on an ongoing basis to around 1 million displaced and vulnerable people and to repair more than 4,000 emergency shelters for displaced Iraqis.

UK aid, together with that of the wider international community, is working. The number of refugees returning to Iraq is increasing, albeit slowly, and the number of registered refugees has dropped. Food insecurity, a good indicator of real impact, has dropped by 12 per cent. Although humanitarian aid is important, it is only the first step in any sustainable development programme. That is why we have focused our attention on helping Iraq to rebuild its own capacity. Given Iraq's economic potential, our priority is to help it manage its economy and financial resources more effectively while creating the right environment for investment. Through lending our practical expertise to the Iraqi equivalent of the Cabinet Office, for example, we have helped to smooth preparations for the transition of government.

Physical infrastructure is also vital to a country's long-term growth, so we have provided nearly £100 million to secure or improve power and water supplies to more than 1 million Iraqis. Understandably, a lot of our early work focused on Basra, and our efforts were often

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delivered in partnership with the UK military. More widely, we have worked on a number of large-scale projects to improve water and power supply. Overall, international efforts have yielded very real benefits for ordinary people. To take just one example, where people once had an average of four to eight hours of electricity available per day, they now have more than 15 hours of supply.

In the long-term, however, the Iraqi Government must take a more active role, both in maintaining existing infrastructure and by investing in new supply. DFID has been working with the relevant Government institutions in Iraq to train and support them in taking the lead in ongoing reconstruction and development. Ultimately, Iraq's future will depend on its people and on their ability to revitalise the country's economy. Alongside its humanitarian and reconstruction support, DFID has also developed a small business finance programme that will provide some 1,000 loans, a quarter of them to women. The programme has already paid out more than $1 million.

We have also secured work placements for more than 200 young people as part of our youth employment pilot programme; another 200 are currently undertaking training before starting their placement. We are working with the Ministry of Labour and Social Affairs to develop a programme that can be rolled out across the whole country, because we want lasting change in Iraq. DFID's role in future will focus on engaging with others. For example, we could work with Iraq's Ministry of Finance in matters of public financial management; the Ministry of Labour in youth employment; the British Council in tertiary education; the UN in humanitarian assistance or the World Bank in Iraqi policy and programmes.

Iraq is a country with enormous potential. Confidence in its economy is growing and security is improving. The real challenges now lie in helping its people to manage their resources so they can deliver better public services and generate growth while at the same time making political processes more effective on the ground. We can only meet such challenges by working in partnership with other donors, the wider international community and, most importantly, with the people of Iraq itself.

4.25 pm

Sitting suspended.

Housing (Southwark)

4.28 pm

Simon Hughes (North Southwark and Bermondsey) (LD): Thank you very much, Mr. Howarth, for calling me. I also thank Mr. Speaker for selecting this debate, which will be the last Westminster Hall debate of this Parliament. I am very privileged to have that opportunity.

I have chosen for this Adjournment debate the subject of housing in Southwark. Like you, Mr. Howarth, I have been a Member of Parliament for a long time. I have been the Member of Parliament for the northern part of Southwark for more than 27 years, and for the constituency that is currently called North Southwark and Bermondsey since the boundaries were redrawn in 1997. This debate will also be the last Adjournment debate in which I have the responsibility of representing that particular constituency. Although I hope to be back in the House after the election, the boundaries will be changed again slightly and the constituency will have the new name of Bermondsey and Old Southwark from next Monday.

Whatever the name of the constituency, however, the issue that has dominated my constituency work for all my time as a Member of Parliament is housing. You and I have that in common, Mr. Howarth, as constituency MPs. Of course, there have been other issues that I have had to address, but housing has been the main one. So it is absolutely right that I use this last opportunity in this Parliament to raise housing with the Government, because there are some very specific concerns that I would like the Minister to address when she responds.

Southwark is unique among London boroughs in that it has more than 40,000 local authority tenants and 12,000 local authority leaseholders who are tenants and leaseholders of the borough itself. I also have the privilege of representing many tenants and leaseholders of the City of London corporation, which has estates in Southwark, so I deal with two local authorities.

According to the new electoral register, the electorate within the boundaries of the new constituency is 84,899, which is one of the largest electorates in the country. Obviously, if we add on the people who are not on the electoral roll, because they are too young or otherwise not eligible to vote, we are talking about a population of probably 120,000 or 125,000.

For many of those people, there is a problem because they either cannot find a home—normally a home to rent—at an affordable cost, whether that is a local authority home, a home provided by a registered social landlord, housing association or housing trust, or a rented home in the private sector, or they are in a property that is still not of the standard that you, Mr. Howarth, or I would wish our constituents to live in.

The issue for them and for me is how we help them, particularly those people on relatively low incomes who cannot afford the sort of prices that properties go for along the river in my constituency, which stretches from the Oxo tower to Deptford, where some of the property prices are very high. Many of them have lived here all their lives, others have lived here for a long time and some have come here more recently. But the issue is how we can ensure they have the sort of housing they need.

I have the privilege of being the Member of Parliament in England who represents the highest number of council tenants as a proportion of their electorate. I have always taken that responsibility seriously. Therefore, much of what I want to say today is about providing support for local authorities—in this case, Southwark and the City of London—in the job that they want to do of housing our constituents.

As I have said, there are more than 40,000 Southwark tenants and 12,000 Southwark leaseholders. In Southwark, there are the same number of council properties as in Wandsworth, Westminster and Hammersmith and Fulham put together, or as in Lambeth and Tower Hamlets put together. I think that, in England, only Leeds and Birmingham have more council housing stock than we do in Southwark, and they are much bigger authorities and much bigger places than Southwark, which has a total population of about 250,000.

Eight years ago, for the first time since the London boroughs were created, Labour lost its overall majority in Southwark and the Liberal Democrats became the largest party in the borough, both in votes and seats. The Liberal Democrats took over as the minority administration for four years and for the last four years we have led a coalition administration. So my colleagues have had to take responsibility for housing and they have done so to the best of their ability.

Many good things have been done in that time. I am pleased to say that, just the other day, a housing league table produced by Shelter showed that

"Southwark ranked nineteenth out of 323 councils nationally, and fourth out of the 33 London boroughs, based on the percentage of affordable housing it provided of the 2009 requirement."

According to Shelter:

"Southwark Council delivered 74 per cent of the amount of affordable housing that was needed."

Southwark council has done very well, but to be honest that is a drop in the ocean. As of today, the number of people on the housing waiting list who are either in private sector accommodation, including bed and breakfast accommodation, of no fixed abode or living at home with somebody else, is about 15,000. In my judgment, it would take at least five years to house that number of people. We now have a banding system. If someone is in the top band, they are likely to be housed very quickly, but if they are in bands 3 or 4, it will take much longer.

The housing requirement study that was compiled for the council in 2008 called for 10,660 additional dwellings to be built by 2013 to satisfy housing requirements in Southwark. So, irrespective of the work that we need to do to improve our housing stock, there is without doubt a job to be done to build more homes. Indeed, there is another job to be done, which is to bring any empty properties back into use. Those properties are normally in the private sector, for example, flats over shops on the Old Kent road, the Walworth road or elsewhere in the borough.

The Communities and Local Government Committee recently produced its fourth report of the 2009-10 Session, dated 8 March 2010. It was a very welcome report called "Beyond Decent Homes". A few years ago, the Government announced a very good initiative, saying that there should be a decent homes programme to bring local authority housing stock up to a better standard. Much of that work has been done. However, one of the Select Committee recommendations was that the Government need to pay much greater attention to where the funding will come from to complete the work on the decent homes programme that was begun all those years ago.

That work was originally due to end this year, but the end date was put back to 2011, specifically to the end of the financial year that began this week. I would like to quote from recommendation 18 of the Select Committee's report, on page 92. Under the heading "Access to Public Funding", it says:

"We welcome the Minister's suggestion that reform of the HRA"

the housing revenue account

"will enable all local housing authorities to fund the maintenance of their homes at a decent level. We note, however, that the Minister's replies were significantly weaker on the question of how retention authorities can bring their stock up to that level in the first place."

I will pause there for a moment. For the record, a "retention authority" is a council that decided to retain ownership of its property. Southwark council made that decision. There are currently four parties on the council: there are councillors from the Liberal Democrats, Labour and Conservatives, along with one Green councillor. All those parties in Southwark have always supported the view that the council should retain control of its housing stock and not divest itself of that stock. Whenever that view has been tested among the people who live in council property in Southwark, it has overwhelmingly been that of those tenants, too.

So there is a political consensus in Southwark that we want to retain our council housing. Therefore, the question of where the funding for that housing comes from is a key one for Government. The Select Committee's report went on to say:

"HRA reform will not solve that problem. We call on the Government urgently to set out how, post-HRA reform, authorities which have retained management of their stock will be funded to eliminate the backlog of non-decent housing."

The amount of housing debt that has been incurred in Southwark is extraordinary. Southwark council has a housing debt of—wait for it—more than £700 million. That debt costs £50 million a year just to service. Why do we have such a big debt? We have it for very obvious historical reasons. The London borough of Southwark inherited its housing stock from the three previous boroughs that made up the borough—Bermondsey, Southwark and Camberwell—and from the Greater London council. It has a huge amount of stock that was built after the blitz and other wartime raids, so a lot of our property was built in the 1940s, 1950s and 1960s. Some of it predates the 1940s—we had the first council housing in England—but a lot of it is post-war.

That post-war housing was built but not fully paid for, because the money was borrowed, and Southwark council is still paying for it today. The new council in Southwark will be elected on 6 May. Hopefully, the new administration will be made up again of my Liberal Democrat colleagues and ideally without our having to rely on making any arrangement with anybody else. Whoever makes up that administration, however, they will be desperate to have the ability to spend money on housing and not on paying off the debts for our properties, many of which no longer exist, having been demolished a long time ago. Therefore, the first problem is that we have a huge housing debt.

[Simon Hughes]

Secondly, we have to borrow all the time to refinance our loans and are not allowed to borrow at market rates; we have to borrow at rates of about 9 per cent. If the Government did not intervene and the council was allowed to get on, it could borrow at a much lower interest rate. Borrowing at a rate of 3, 4 or 5 per cent. would release a huge amount of extra money that could be spent on repair, renovation or building new housing stock.

Sadly, during the past 13 years of Labour Government, we have seen council house building decline across the country to the lowest figure since the war. It is a paradox; it is strange to me that there was no great new dawn for local authority housing as I had assumed that there would be in 1997. Less council housing has been built under Labour than under the previous Tory Government.

Many of my constituents have suffered a double whammy from the combination of authorities that have been in charge at a higher level than the local council. For many years we had a Tory Government who were actively hostile to the need to invest in the condition of our housing stock. In the old days, when Labour ran it, we had a council that did some good things, but it certainly did not manage to keep its estates up to scratch. That is why, in 1997, I and all my constituents, whatever their political views, hoped that we would get a better regime under which to work. Sadly, one telling fact is that since 1997, across the whole country, only 2,700 council homes have been built, but, in the same period, the Government have built nearly 20,000 prison cells. It says something that a Government would build seven times more prison cells than council homes. I think that my constituents would have strong views about that priority—it is wrong.

I have acknowledged the benefit of the decent homes programme. Millions of pounds have been poured into bringing homes up to scratch, but there have been two unattractive aspects of the programme: first, a centralised, target-driven approach that prevents local discretion, and, secondly, a failure of Government to understand that local councils should be given choice.

Let me amplify the first point: a home does not have to have a working lift to be defined as decent. There is money to improve a door, a sink, a bathroom or a toilet, but there is no money to get the lifts working well. To be honest, for someone living on the 11th floor, having a new bathroom is probably a secondary priority to ensuring that the lifts work.

On choice, in 2001 there was a ballot of every tenant on one of the largest Southwark estates, the Aylesbury estate, a small part of which is, until next Monday, in my constituency, although it then becomes in its entirety part of the Camberwell and Peckham constituency. The vote was on whether the estate should be demolished and replaced by new housing built by a registered social landlord. The turnout was 70 per cent.—probably higher than we will get in many places on 6 May, certainly at local government level—and there was a three to one vote against the transfer. The tenants wanted the Government to invest in the estate to bring it up to the state of repair needed. That would have cost hundreds of millions of pounds, and the Government would not come up with the money.

Elsewhere, people were told that if they went for an arm's length management organisation or if the council sold off the housing estate, they would get the money. Southwark tenants and politicians said that they did not want to do that. We wanted to run our own show, and no money was forthcoming. It is a paradox that Lambeth next door, which is a Labour-run authority, voted for an arm's length management organisation, but is still waiting for the £200 million promised, as I understand it, for voting for an ALMO.

If we are to get people to trust in local government, we should, first, give them choice about how they spend money and, secondly, not discriminate or give money based on the sort of management the council chooses. If people want the council to continue to own the housing, they should be allowed to have the council own the housing.

We have a huge number of tower blocks and still have many homes that do not meet the definition of a decent home. We—the council, tenants and residents—still aspire to have homes that do not just meet the basic decent homes standard but do more than that, particularly environmentally, to ensure that they are insulated well, energy efficient and so on.

I have made the point that we ought to allow councils full local discretion about how they spend any money the Government give. I hope that the Minister will say that the Government are now more sympathetic to that and that they will leave that recommendation on their desks for their successors. I hope that the Government will say that, in future, they will not discriminate among councils based on the sort of structure the council wants for its organisation with its tenants, and that councils should be able to borrow at the lowest commercial rate. I hope that the Minister will either reassure me today or take the point back to the Secretary of State before the Government ceases to be the Government. Whatever happens at the election, the Government and Ministers will change, and some of us hope that the governing party will change, too. I hope that a new regime will allow us to refinance our debt so that we are not using all the money to pay off debts from the past, and can get on with repairing and building homes for the future.

Southwark is a very attractive place for investment, as the Minster knows, and as do you, Mr. Howarth. Even in the middle of the worst recession since Neville Chamberlain was Chancellor of the Exchequer, we are building what will be the tallest building in London at London bridge: the Shard of glass. It is still ridiculous that the local authority cannot spend the money that the developers pay on improving the local housing estates or building new housing. It has to be spent on other things. In my Town and Country Planning Act 1990 (Amendment) Bill, I tried to change that, but both Labour and Tory Front Benchers prevented it from going through in this Session. I regret that. I hope that the Government will have second thoughts and that the Labour and Conservative parties will come to support the proposals. In the coming election campaign, it will be interesting to hear my Labour and Tory opponents explain why their parties were so unhelpful about that measure.

Leaseholders also need a better deal. I tried to get a Bill through in this Parliament, as did the hon. Member for Beckenham (Mrs. Lait), which would have improved

the lot of leaseholders who have high bills. That is the other change that people in Southwark would notice most as improving their housing.

Southwark local authority spends about £40 million to £60 million annually on decent homes, £40 million on other improvements and landlord obligations, and £50 million on debt repayment. We are willing to take on our responsibilities. The political leadership—my colleague Nick Stanton who leads the council and his colleagues—are absolutely willing to do that, but we must have a Government regime that helps councils do what they want to do. My plea is: help people to live in the homes that they aspire to. Let us have homes fit not only for heroes but for everyone, and push housing up the social agenda.

In the general election campaign, I hope that we can ensure that we understand the extent of the housing crisis and the shortage of housing in a borough such as Southwark. I hope that the new council and the new Government will have a much more open, honest and generous way of funding housing, which is still the major concern of my constituents.

4.48 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Barbara Follett): Thank you, Mr. Howarth, for presiding over this, the last Westminster Hall Adjournment debate of this Parliament. It is not my last because I have the honour of doing the end of day Adjournment debate as well.

Simon Hughes: Whenever that may be.

Barbara Follett: Yes, whenever that may be.

I congratulate the hon. Member for North Southwark and Bermondsey (Simon Hughes) on securing the debate and on his very evident care and concern about a problem that your constituents, Mr. Howarth, and my constituents share with his constituents. Housing is a huge agenda and a problem across the country, from the areas where there is a surplus of or not good enough housing, to areas such as my own and Southwark where supply is too constrained for the number of people in the area.

Southwark is a particularly harsh case. The council is already the largest social landlord in the capital and the population continues to grow apace. It increased by 23 per cent. between 1981 and 2006, whereas the population in the rest of London increased by only 10.4 per cent. That gives an understanding of the problem that the hon. Gentleman is talking about. The population of Southwark is projected to grow by about 35,000 by 2016 and a further 46,000 by 2026. It was timely of him to raise this significant problem in the final Adjournment debate of this Parliament in Westminster Hall. We need sufficient good-quality housing in Britain and in Southwark in particular.

In Southwark, housing has been the cause of some tragic events. The fires at Lakanal house and a few weeks later in Peckham underlined the importance of safety measures in residential blocks. Yesterday's events in Southampton, which are fresh in our minds, reminded us of the need not just for good housing, but for housing that is safe and secure.

The Government are committed to housing. Like the hon. Gentleman, we want it to be of good quality and of the kind that local people want. The main problem with retention councils is that the money they need counts against the national debt. That is why my constituency eventually opted for an arm's length management organisation. It got the money and has built more homes than anywhere else in the east of England. That shows that it can work. This is not an ideological problem, but a financial one. The alternatives that the Government offered were private finance initiatives and registered social landlords.

I understand why the people of Southwark wanted to be retained, but because that adds to the national debt, there is a break on development. The Government have been incredibly aware of that problem, in particular the Minister for Housing, who on 25 March announced a far-reaching new deal to give local authorities the freedom that the hon. Gentleman spoke about to fund and run their council homes without central Government subsidy.

Simon Hughes: The tradition that local authority spend counts against the public sector borrowing requirement is an accounting requirement. Many countries do not count local authority spend or borrowing in that way and the Government could change the requirement if they wanted to. I know that the Treasury has resisted that, but if it were changed, it would not be the issue that it has been.

Barbara Follett: I understand the hon. Gentleman's argument, having deployed it myself. However, Her Majesty's Treasury does not look kindly upon that financial or accounting ploy.

The deal that the Minister for Housing came up with will release at least 10 per cent. more money in every local authority to maintain and manage homes. It will also create the funding and capacity to build more than 10,000 new council homes a year across the country by the end of the next Parliament. Under the deal, local authorities will keep all the rent they collect from their homes and all the receipts from the sale of housing or land. Not a single penny will go to Whitehall or subsidise other councils. Southwark stands to benefit significantly from the deal.

Since 2001, we have reduced the number of non-decent homes in the social housing sector by 50 per cent. and 1.4 million council houses have been improved. The Government have invested £18.8 billion and councils have added £4.4 billion. Southwark council decided to deliver a higher decent homes standard than that set out by the Government. That solution will be more costly and take longer to deliver. The decision was understandable, but it was entirely that of Southwark council. As I said, the Government are committed to completing the decent homes programme. We recognise that £3.2 billion of works are still needed to meet the commitment. That will be a central element in our decisions on investment priorities in the next spending review should we be returned after the general election.

The hon. Gentleman raised the question of writing off all housing debt. We cannot do that, but if self-financing were implemented, Southwark council would receive a cheque for £306.9 million from the Government. Self-financing would enable councils to manage their homes on much the same basis as arm's length management organisations. That would give councils the freedom to manage their finance without the interference of central Government.

[Barbara Follett]

On the hon. Gentleman's last two points, I have read his private Member's Bill. It sought to secure additional funds for decent homes through section 106 agreements. As he knows, the arguments on the Bill and the role of section 106 agreements are well rehearsed. I reiterate that the basic aims of the Bill are already Government policy and its objectives can be secured through other measures. On 6 April, we brought in new regulations on this matter. It is not the Government's intention that section 106 receipts be used to improve existing housing conditions or to secure a share in the profits of development for the community. Section 106 is a planning instrument that is intended to make particular development proposals acceptable in planning terms, rather than to achieve wider policy objectives.

I understand the hon. Gentleman's concerns about leasehold. I commend his work in this area, which has benefited his increasing number of constituents over the years. The Government acknowledge that the housing position in Southwark must be addressed urgently.

Simon Hughes: I am grateful for the Minister's kind remarks. I ask her to take away two things. First, the Government must take on board the fact that following the fire deaths that happened in my borough but outside my constituency, there is a need for additional health and safety work in boroughs such as mine that have many tower blocks. Secondly, if the debts will not be written off, it would be helpful if Ministers and civil servants could consider ways in which debt can be refinanced and reprogrammed so that it does not cost as much, particularly for boroughs that have a large amount of council and public sector stock and that want to maintain the quality of it in generations to come, when additional numbers of people will be knocking on the door asking to be housed.

Barbara Follett: I hear what the hon. Gentleman is saying. It is apt that the Westminster Hall debates of this Parliament are closing on a subject on which there is cross-party accord. Although I will not be involved because I am standing down, I hope that the parties can work together to solve this problem.

Question put and agreed to.

4.59 pm

Sitting adjourned.